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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,
ADOPTION OF SHARE OPTION SCHEME,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Shareholders of Far East Technology International Limited to be held at The Penthouse, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong on Monday, 23 May, 2005 at 3:00 p.m. is set out on pages 24 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 Registrars, 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.

27th April, 2005

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Introduction	3
2. Proposed Granting of General Mandate to repurchase shares	4
3. Proposed Granting of General Mandate to issue shares	4
4. Proposed adoption of Share Option Scheme	4
5. Application for listing	5
6. Reasons for adopting the Share Option Scheme	6
7. Notice of Annual General Meeting	6
8. Re-election of retiring directors	6
9. Procedures for demanding a poll	7
10. Responsibility Statement	7
11. Recommendation	7
Appendix I Explanatory Statement on the Buyback Mandate	8
Appendix II Summary of Rules of the Share Option Scheme	12
Appendix III Details of Directors proposed to be Re-elected	20
Notice of Annual General Meeting	24

DEFINITIONS

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 Monday, 23rd May, 2005 at Penthouse, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong
“Articles of Association”	the existing articles of association of the Company
“Board”	the board of directors of the Company
“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
“Group”	the Company and its Subsidiaries for the time being
“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

DEFINITIONS

“Latest Practicable Date”	22nd April, 2005, 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;
“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 proposed to be adopted by the Company at the AGM, the principal terms of which are summarised in the Appendix II to this circular
“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

LETTER FROM THE BOARD



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:

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:

Mr. Chi Man Ma

Dr. Lee G. Lam

Mr. Ryan Yen Hwung Fong

27th April, 2005

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE SHARES,
ADOPTION OF SHARE OPTION SCHEME,
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 Monday, 23rd May, 2005. 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) adoption of share option scheme; and (iii) ordinary resolutions relating to the re-election of the retiring Directors.

LETTER FROM THE BOARD

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 66,333,781 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 6,633,378 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 66,333,781 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 13,266,756 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 ADOPTION OF SHARE OPTION SCHEME

At the Annual General Meeting, an Ordinary Resolution will be proposed for the Company to approve the adoption of the Share Option Scheme for the Eligible Participant pursuant to which the Eligible Participant may be granted Options to subscribe for Shares upon and subject to the terms and conditions of the Share Option Scheme. As at the Latest Practicable Date, no Share Option Scheme has ever been adopted by the Company.

LETTER FROM THE BOARD

A summary of all the principal terms of the rules of the Share Option Scheme which is proposed to be approved and adopted by the Company at the Annual General Meeting is set out in Appendix II to this circular. A copy of the Share Option Scheme is available for inspection at the principal place of business of the Company at Room 1802-1804, 18th Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong during normal business hours from the date hereof up to and including 23rd May, 2005 prior to the Annual General Meeting.

The Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution at the Annual General Meeting approving the adoption of the Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Options that may be granted under the Share Option Scheme and up to the General Scheme Limit.

Based on the existing issued share capital of 66,333,781 Shares of the Company as at the Latest Practicable Date and assuming no further Shares will be issued or repurchased by the Company on or before the date of the Annual General Meeting, Options to subscribe for up to 6,633,378 Shares may be issued to the Eligible Participant under the Share Option Scheme under Rule 17.03(3) of the Listing Rules, should the Share Option Scheme be adopted.

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the Share Option Scheme as if they had been granted at the Latest Practicable Date prior to the approval of the Share Option Scheme given that the variables which are critical for the calculation of the value of such Options cannot be determined. The variables which are critical for the determination of the value of such Options include, among others, (i) the subscription price for the Shares upon the exercise of the subscription rights attaching to the Options, (ii) whether or not Options will be granted under the Share Option Scheme and the timing of the granting of such Options, (iii) the period during which the subscription rights may be exercised, (iv) the discretion of the Board to impose any performance target that has to be achieved before the subscription rights attaching to the Options can be exercised and any other conditions that the Board imposed on the Options, and (v) whether or not such Options if granted will be exercised by the Eligible Participant. The subscription price payable for the Shares depends on the price of the Shares as quoted on the Stock Exchange, which in turn depends on when the Board is to grant Options under the Share Option Scheme. With a scheme life of ten years, the Board is of the view that it is too premature to state whether or not Options will be granted under the Share Option Scheme, and if so, the number of Options that may be granted. It is also difficult to ascertain with accuracy the subscription price of the Shares given the volatility the Share price may be subject to during the 10-year life span of the Share Option Scheme. In the circumstances, the Directors are of the view that the value of the Options depends on a number of variables which are either difficult to ascertain or can only be ascertained subject to a number of theoretical basis and speculative assumptions. Accordingly, the Directors believed that any calculation of the value of the Options will not be meaningful and may be misleading to Shareholders in the circumstances.

APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for approval of the listing of, and permission to deal in, the new Shares which may fall to be issued pursuant to the exercise of the subscription rights attaching to the Options that may be granted under the Share Option Scheme and up to the General Scheme Limit.

LETTER FROM THE BOARD

REASONS FOR ADOPTING THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to motivate and provide incentives to Eligible Participant thereunder for their contribution to the Group and to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

Under the rules of the Share Option Scheme, the Board has discretion to set a minimum period for which an Option has to be held before the exercise of the subscription rights attaching thereto. This discretion allows the Board to provide incentive to a Eligible Participant to remain as a Eligible Participant and thereby enable the Group or the relevant Invested Entity to continue to benefit from the services and contributions of such Eligible Participant. This discretion, coupled with the power of the Board to impose any performance target or other restrictions as it considers appropriate before any Option can be exercised, enable the Group to provide incentives to the Eligible Participant to use their best endeavours in assisting the growth and development of the Group. Although the Share Option Scheme does not provide for the granting of Options with rights to subscribe for Shares at a discount to the traded prices of the Shares on the Stock Exchange, the Directors are of the view that the flexibility given to the Board in granting Options to Eligible Participant and to impose minimum period for which the Options have to be held and performance targets and other conditions that have to be achieved before the Options can be exercised, will place the Group in a better position to attract human resources that are valuable to the growth and development of the Group as whole.

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). 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 Registrars, 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 (Chairman) (will retire on 23 May 2005), Mr. Duncan Chiu, Mr. Dennis Chiu; non-executive directors namely Dato' David Chiu (will retire on 23 May 2005), Mr. Daniel Tat Jung Chiu (will retire on 23 May 2005), Mr. Derek Chiu, Mr. Desmond Chiu and Miss Margaret Chiu; and independent non-executive directors namely Mr. Chi Man Ma (will retire on 23 May 2005), Dr. Lee G. Lam (will retire on 23 May 2005) and Mr. Ryan Yen Hwung Fong (will retire on 23 May 2005).

In accordance with Company's Articles of Association, Dr. Lee G Lam and Mr. Ryan Yen Hwung Fong who were appointed as Independent Non-executive Directors of the Company during the year, will hold office until the 2005 AGM of the Company and, being eligible, have offered themselves for re-election at the AGM.

LETTER FROM THE BOARD

In accordance with Articles 79 and 80 of the Company's Articles of Association, Mr. Deacon Te Ken Chiu, Dato' David Chiu, Mr. Daniel Tat Jung Chiu and Mr. Chi Man Ma will retire by rotation at the 2005 AGM of the Company and, being eligible, have offered themselves 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.

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 consider that the proposed granting of the general mandates to the Directors to issue Shares and to repurchase Shares, the adoption of Share Option Scheme 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 66,333,781 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 13,266,756 Shares and to repurchase a maximum of 6,633,378 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, 2004) 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 Per Share	
	Highest HK\$	Lowest HK\$
2004		
May	155.62	87.50
June	107.50	87.50
July	136.87	100.00
August	125.00	23.75
September	25.00	18.75
October	25.62	5.12
November	17.75	5.0
December	9.75	8.5
2005		
January	9.75	1.45
February	1.69	1.48
March	1.55	1.65
April (up to and including the Latest Practicable Date)	1.48	1.16

Note: Price per share on or before 25th January, 2005 has been duly adjusted taking into account of the effect of Capital Reorganisation.

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 held				Percentage of issued share capital of the company
	Personal interests	Corporate interests	Family interests	Total interests	
Mr. Deacon Te Ken Chiu	1,509,600	1,245,720	1,222,000 ⁽¹⁾	3,977,320	6.00%
Dato' David Chiu	1,700,000	5,608,000 ⁽²⁾	–	7,308,000	11.02%
Miss Margaret Chiu	1,000,000	–	–	1,000,000	1.51%
Mr. Dennis Chiu	3,322,040	6,080,000 ⁽³⁾	–	9,402,040	14.17%
Mr. Daniel Tat Jung Chiu	2,200,000	14,480,040 ⁽⁴⁾	–	16,680,040	25.15%
Mr. Derek Chiu	40,200	–	–	40,200	0.06%
Mr. Desmond Chiu	1,000,000	–	–	1,000,000	1.51%
Mr. Duncan Chiu	6,128,442	–	–	6,128,442	9.24%

Notes:

- (1) The shares are held by Madam Ching Lan Ju Chiu, wife of Mr. Deacon Te Ken Chiu.
- (2) The shares are held by Rocket High Investments Limited, a company wholly owned by Dato' David Chiu.
- (3) The 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.

APPENDIX I **EXPLANATORY STATEMENT ON THE BUYBACK MANDATE**

Save as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares or debentures or underlying Shares of the company or any of its associated corporations at the Latest Practicable Date.

(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 shares held	Percentage of issued share capital of the Company
Gorich Holdings Limited (“Gorich”) (<i>Note 1</i>)	8,400,040	12.66%
Cape York Investments Limited (“Cape York”) (<i>Note 2</i>)	6,080,000	9.17%
Rocket High Investments Limited (“Rocket”) (<i>Note 3</i>)	5,608,000	8.45%
Virtual Dragon International Limited (“Virtual Dragon”) (<i>Note 4</i>)	5,101,600	7.69%
Tricom Cyberworld Holdings Limited	3,856,400	5.81%

Save as disclosed above, the Company has not been notified of any other interests or short positions representing 5% or more of the Company’s issued share capital at as at the Latest Practicable Date.

Notes:

1. Gorich is wholly-owned by Mr. Daniel Tat Jung Chiu. The interest of Mr. Daniel Tat Jung Chiu in the Company is stated under the section headed “Directors’ interests pursuant to the SFO” above.
2. The interests of Mr. Daniel Tat Jung Chiu and Mr. Dennis Chiu in the Company are stated under the section headed “Directors’ interests pursuant to the SFO” above.
3. Rocket is wholly-owned by Mr. David Chiu. The interest of Mr. David Chiu in the Company is stated in the section headed “Directors’ interests pursuant to the SFO” above.
4. The shares are held by Peace View Company Limited (“Peace View”), a wholly owned subsidiary of Far East Consortium Limited (“FEC”). On 28th March 2001, Far East Consortium Limited 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.

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.

APPENDIX II SUMMARY OF RULES OF THE SHARE OPTION SCHEME

This Appendix summarises the principal terms of the Share Option Scheme (the “Scheme”) but does not form part of, nor is it intended to be, part of the Scheme nor should it be taken as affecting the interpretation of the rules of the Scheme. The Directors reserve the right at any time prior to the Annual General Meeting to make such amendments to the Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspects with the summary in this Appendix.

The following is a summary of the principal terms of the Scheme proposed to be adopted by the Company at the Annual General Meeting:

1. Purpose

The purpose of the Scheme is to enable the Company to grant options to Eligible Participants as incentives and rewards for their contribution to the Company or such Subsidiaries.

2. Who may join

The Board may at its discretion, offer eligible participants, being employees (whether full time or part time) or executive or officers of the Company or any of its Subsidiaries (including executives and non-executive directors of the Company or any of its Subsidiaries) and business consultants, agents and legal or financial advisers (“Eligible Participants”) who the Board of Directors considers, in its sole discretion, will contribute or have contributed to the Company or any of its Subsidiaries, Options to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph 5 below. Upon acceptance of the Option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

3. Maximum number of Shares

The maximum number of Shares which may be issued upon exercise of all Options to be granted under the Scheme and any other share option scheme(s) of the Company must not exceed 10% of the Shares in issue on the date of the approval and adoption of the Scheme by the Shareholders of the Company. Options lapsed in accordance with the terms of such Share Option Scheme(s) will not be counted for the purpose of the 10% limit. As at the Latest Practicable Date for publication of this circular, the number of shares in issue of the Company is 66,333,781.

Subject to the issue of a circular by the Company and the approval of the Shareholders in the general meeting and/or such other requirement prescribed under the Listing Rules from time to time, the Board may:

- (a) refresh this limit at any time to 10% of the Shares in issue as at the date of the approval by the Shareholders in the general meeting (options previously granted under any share option scheme of the Company (including those outstanding, cancelled, lapsed in accordance with such scheme or exercise options) will not be counted for the purpose of calculating the limit as refreshed); and/or

APPENDIX II SUMMARY OF RULES OF THE SHARE OPTION SCHEME

- (b) Grant Option beyond the 10% limit to Eligible Participants specifically identified by the Board whereupon the Company shall send a circular to the Shareholders containing, among others, a generic description of the specified participants who may be granted such Options, the number and terms of the Options to be granted and the purpose of granting Options to the specified participants with an explanation as to how the Options serve such purpose.

Notwithstanding the foregoing, the Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme and any other share option scheme(s) of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No Options shall be granted under any Scheme(s) of the Company or any of its Subsidiaries if this will result in the 30% limit being exceeded.

4. Maximum entitlement of each participant

The total number of Shares issued and which may fall to be issued upon exercise of the Option granted under the Scheme and any other share option scheme(s) of the Company (including exercised, cancelled and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the Date of Grant.

Any further grant of Options in excess of this 1% limit shall be subject to the issue of a circular by the Company and the approval of the Shareholders in the general meeting with such Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting and/ or other requirements prescribed under the Listing Rules from time to time.

5. Price of shares

The subscription price for a Share in respect of any particular Option granted under the Scheme (which shall be payable upon exercise of the Option) shall be such price as the Board in its absolute discretion shall determine, save that such price must not be less than the highest of (a) the closing price of the Shares as stated in the Stock Exchange' daily quotations sheet on the Date of Grant, which must be a business day; (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the Date of Grant; and (c) the nominal value of a Share.

6. Granting option to connected persons

Any grant of Options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive directors (excluding the independent non-executive director who is the grantee of the Options.)

APPENDIX II SUMMARY OF RULES OF THE SHARE OPTION SCHEME

If the Company proposes to grant to a substantial shareholders (as defined in the Listing Rules) of the Company or any independent non-executive director or their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of all Options 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 the offer of such grant:

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

such further grant of Options will be subject to the issue of a circular by the Company and the approval of the Shareholders in the general meeting on a poll at which all connected persons (as defined in the Listing Rules) of the Company shall abstain from voting, and/or such other requirements prescribed under the Listing Rules from time to time. A connected person (as defined in the Listing Rules) of the Company will be permitted to vote against the grant only if his intention to do so has been stated in the circular.

7. Restrictions on the time of grant of options

A grant of Options may not be made after a price-sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price-sensitive information has been published in the newspaper. In particular, no Option may be granted during the period commencing one month immediately preceding the earlier of (a) the date of the Board meeting for the approval of the Company's annual or interim results; and (b) the deadline for the Company to publish its interim or annual results announcement under the listing agreement and ending on the date of actual publication of the results announcement.

8. Rights are personal to grantee

An Option is personal to the grantee and the grantee may not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option or attempt to do so.

9. Time of exercise of option

There is no general requirement that an Option must be held for any minimum period before it can be exercised but the Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The Board is currently unable to determine such minimum period. The Date of Grant of any particular Option is the date when the duplicate offer document constituting acceptance of the Option duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration is received by the Company, such date must be on or before the 30 days after the option is offered to the relevant grantee. The period during which an Option may be exercised will be determined by the Board at

APPENDIX II SUMMARY OF RULES OF THE SHARE OPTION SCHEME

its absolute discretion, save that no Option may be exercised more than 10 years from the Date of Grant. No Option may be granted more than 10 years after the date of approval of the Scheme. Subject to earlier termination by the Company in general meeting, the Scheme shall be valid and effective for a period of 10 years from the date of adoption of the Scheme by Shareholders by resolution at a general meeting.

10. Performance target

The Board is empowered to agree, impose, set or fix at its discretion the performance target with all or any of the Eligible Participants at the time of grant that the performance target must be achieved before any Option granted under the Scheme can be exercised.

Such performance target may be modified, varied or waived with such Eligible Participant as the Board shall in its discretion think fit.

11. Rights on ceasing to be an Eligible Participant and death

In the event of the grantee ceasing to be an Eligible Participant for any reason (including his or her death) other than (i) the termination of his or her relationship with the Company and/or any of its Subsidiaries on one or more of the grounds specified in paragraph 12 below; or (ii) the termination of the same for any reason during the 12 month period following the date upon which the relevant option is deemed to be granted and accepted in accordance with the Scheme, the grantee may exercise the Option up to his or her entitlement at the date of cessation of being an Eligible Participant (to the extent not already exercised) within the period of six months following the date of such cessation, which date shall be the last actual working day on which the grantee was at work with the Company, or its relevant Subsidiary on which salary is paid whether in lieu of notice or not, or such longer period as the Board may in its absolute discretion determine.

12. Lapse of option on misconduct, bankruptcy or dismissal etc.

If a grantee cease to be an Eligible Participant by reason of the termination of his relationship with the Company and/or any of its Subsidiaries on any one or more of the grounds that he has been guilty of serious misconduct, or has committed any act of bankruptcy or is unable to pay his or her debts or has become insolvent or has made any arrangement or has compromised with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or in relation to an employee of the Company and/or any of its Subsidiaries (if so determined by the Board) on any other grounds on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Company or the relevant Subsidiaries, his or her option will lapse and not be exercisable on the date of termination of his or her relationship with the Company and/or any of its Subsidiaries.

13. Rights of takeover

If a general offer is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional (within the meaning of the Takeover Code), the grantee shall be entitled to exercise the Option in full or in part (to the

extent not already exercised) at any time when 1 month after the date on which the offer becomes or is declared unconditional.

14. Rights on compromise or arrangement between the Company and its members or creditors

If a compromise or arrangement between the Company and its members and/or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all the grantee (together with a notice of the existence of this paragraph) on the same day as it despatches to members and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each grantee shall be entitled to exercise all or any of his /her Options in whole or in part at any time prior to 12:00 noon (Hong Kong time) on the business day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there are more than one meeting for such purpose, the date of the first meeting. With effect from the date of such meeting, the rights of all grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement become effective, all Options shall, to the extent that they have not been exercised, lapsed and determined. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court) the rights of the grantees to exercise their respective options shall with effect from the date of the making of the order by the relevant court be restored in full as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company, the Directors or any of its officers for any loss or damage sustained by any grantee as a result of the aforesaid suspension.

15. Right of winding-up

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as soon after it despatches such notice to each member of the Company give notice thereof to all grantees (together with a notice of the existence of the provision of this paragraph) and thereupon, each grantee shall be entitled to exercise all or any of his or her Options (to the extent not already exercised) at any time not later than two business days prior to the date of the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, not later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant number of Shares to the grantee credited as fully paid.

16. Lapse of the Options

An Option shall lapse automatically and not to be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry date relevant to that Option;
- (b) the expiry of any of the periods referred to in paragraph 11, 13 or 14 above;
- (c) the date of commencement of the winding-up of the Company (as determined in accordance with the applicable law) as referred to in paragraph 15 above;
- (d) the date on which the scheme for the reconstruction of the Company or its amalgamation with any other company or companies, becomes effective as referred to in paragraph 14 above;
- (e) the date on which the grantee ceases to be an Eligible Participant by reason of the termination of his/her relationship with the Company and/or any of its Subsidiaries on any one or more of the grounds specified in paragraph 12 above. A resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in paragraph 12 above shall be conclusive;
- (f) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the grantee commits a breach of the prohibitions specified in paragraph 8 above or the Options are cancelled in accordance with paragraph 20 below;
- (g) the date on which the grantee ceases to be so employed by the Company and/or any of its Subsidiaries during the 12-month period following the date on which the Option is deemed to be granted and accepted in accordance with the Scheme; and
- (h) the date on which the grantee ceases to be an Eligible Participant on or after committing any act of bankruptcy or become insolvent or making any arrangement or composition with his creditors generally.

17. Ranking of Shares

The Shares to be allotted upon the exercise of an Option will not carry voting rights until completion of the registration of the grantee (or such other person nominated by the grantee) as the holder thereof and will be subject to all the provisions of the Memorandum and Articles of Association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the relevant date of allotment. In particular, such Shares will rank *pari passu* in respect of voting, transfer and other rights, including those arising on liquidation of the Company and rights in respect of any dividend or other distribution paid or made after the relevant date of allotment other than any dividend or other distributions previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant date of allotment as attached to the other fully-paid Shares in issue on the date of issue.

18. Effect of alterations to capital

In the event of capitalisation of profits or reserves, rights issue, consolidation, sub-division or reduction of the share capital of the Company, the Company shall instruct the auditors to and the auditors shall, at the request of the Company, certify in writing such corresponding alterations (if any) made in (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as circumstances requiring alteration or adjustment) the number or nominal amount of Shares subject to any Option so far as such Option or any part thereof remains unexercised, either generally or as regards any particular grantee to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that a grantee shall have the same proportion of the equity capital of the Company as that to which he or she was entitled to subscribe had he or she exercised all the options held by him or her immediately before such adjustments and the aggregate exercise price payable by a grantee on the full exercise of any option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event and that no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The capacity of the auditors in this paragraph is that of experts and not of arbitrators and their certification, in the absence of manifest error, shall be final and conclusive and binding on the Company and the grantees. The costs and expenses in connection with the issue of such certificate by the auditors shall be borne by the Company.

19. Alteration of Scheme

The Scheme may be altered in any respect by resolution of the Board except that:

- (a) any alteration to the advantage of the grantees or the Eligible Participant (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules;
- (b) any change to the authority of the Board or scheme administrators in relation to any alteration to the terms of the Scheme; and
- (c) any material alteration to the terms and conditions of the Scheme or any change to the terms of Options granted (except any alterations which take effect automatically under the terms of the Scheme), must be made with the prior approval of the Shareholders of the Company in general meeting provided that no alteration shall operate to adversely affect the terms of issue of any option granted or agreed to be granted prior to the date of alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such Option prior to the alteration except with the sanction obtained' in accordance with the terms of the Scheme.

20. Cancellation of Options

Any cancellation of options granted but not exercised must be approved by the grantee of the relevant options. Where the Company cancels Options and issues new ones to the same grantee, the issue of such new Options may only be made under the Scheme with available unissued Options (excluding the cancelled Options) within the limit approved by Shareholders.

21. Termination of the Scheme

The Company may by resolution in general meeting or the Board may at any time terminate the Scheme and in such event no further Option shall be offered but the provisions of Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior to the termination or otherwise as may be required in accordance with the provisions of the Scheme. Options granted prior to such termination at the time of termination shall continue to be valid and exercisable in accordance with the Scheme.

22. Condition of the Scheme

The Scheme is conditional on (a) the Shareholders' approval of the adoption of the Scheme at the Annual General Meeting; and (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of Options granted pursuant thereto, the total number of which shall not exceed 10% of the total number of Shares in issue as at the date of approval of the Scheme.

23. Disclosure in annual and interim reports

The Company will disclose details of the Scheme in its annual and interim reports including the number of Options, date of grant, exercise price, exercise period, vesting period and (if appropriate) a valuation of options granted during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

24. Application to the Stock Exchange

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the options granted under the Scheme, the total number of which shall not exceed 10 % of the total number of Shares in issue as at the date of approval of the Scheme.

25. Values of all options that can be granted under the Scheme

The Board considers that it is not appropriate or helpful to Shareholders to state the value of all Options that can be granted pursuant to the Scheme as if they had been granted at the Latest Practicable Date. The Board believes that any statement regarding the value of the Option as at the Latest Practicable Date will not be meaningful to the Shareholders, since the Option to be granted shall not be assignable, and no holder of the option shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option.

In addition, the calculation of the value of the Option is based on a number of variables such as the exercise price, the exercise period, interest rate, expected volatility and other relevant variables. The Board believes that any calculation of the value of the Option as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

APPENDIX III DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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. Deacon Te Ken 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; the founder of the Yan Chai Hospital; 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 and the Vice Patron of the Community Chest since 1968. 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 31 December 2004 and his emoluments for the year ended 31 December 2005 will be determined by the Board according to prevailing market conditions. 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.

NON-EXECUTIVE DIRECTORS

Dato' David Chiu, B.Sc.

Dato' David Chiu, aged 51, joined the Far East Group in 1975 and was appointed a Director of the Company in 1981. Since 1978, he had been the Managing Director of Far East Consortium Limited. He was appointed Deputy Chairman and Chief Executive Officer of Far East Consortium International Limited on 8th December, 1994 and 8th October, 1997 respectively. He is also a Non-executive Director of Far East Technology International Limited, Far East Hotels and Entertainment Limited and Chinasoft International Limited. He holds a double degree of Bachelor of Science in Business Administration and Economics from the University of Sophia, Japan.

APPENDIX III DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Dato' Chiu is the Vice Chairman and a substantial shareholder of Malaysia Land Holdings Berhad, Malaysia. He is also the Chairman of the Board of Directors of Tokai Kanko Ltd, which is listed on the Tokyo Stock Exchange. Presently, Dato' Chiu is a member of the Guangxi Chinese People's Political and Consultative Conference in China and the Honorary Chairman of the Food, Biscuit and Beverage Association in Hong Kong. He has also been conferred an honorary award in Malaysia which carries the title Dato' by His Majesty, the King of Malaysia, in July 1997. Dato' Chiu actively participates in charitable activities. Currently, he is a Trustee Member of the Better of Hong Kong Foundation and Committee Member of the Chinese People's Liberation Army Force in Hong Kong. He is the second son of Mr. Deacon Te Ken Chiu and the brother of Messrs. Dennis Chiu, Daniel Tat Jung Chiu, Derek Chiu, Desmond Chiu, Duncan Chiu and Miss Margaret Chiu.

Mr. David Chiu was paid HK\$15,000 as director's emoluments for the year ended 31 December 2004 and his emoluments for the year ended 31 December 2005 will be determined by the Board according to prevailing market conditions. There is no service contract between Mr. David 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. David 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. David 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. Daniel Tat Jung Chiu

Mr. Daniel Tat Jung Chiu, aged 44, was appointed a Director of the Company in 1983. He is also a Non-executive Director of Far East Consortium International Limited. He was appointed Vice Chairman (Non-executive) of Far East Hotels and Entertainment Limited in 1999. He is the major shareholder and Vice Chairman of London-listing Fortune Oil Plc. Mr. Chiu has extensive experience in China trade, petroleum trading and infrastructure investments. He also takes an active part in several kinds of projects in Hong Kong and the P.R.C.. He is the son of Mr. Deacon Te Ken Chiu and the brother of Messrs. David Chiu, Dennis Chiu, Derek Chiu, Desmond Chiu, Duncan Chiu and Miss Margaret Chiu.

Mr. Daniel Chiu was paid HK\$15,000 as director's emoluments for the year ended 31 December 2004 and his emoluments for the year ended 31st December, 2005 will be determined by the Board according to prevailing market conditions. There is no service contract between Mr. Daniel 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. Daniel 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.

APPENDIX III DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

As far as the Directors are aware and save as disclosed above, Mr. Daniel 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

Mr. Chi Man Ma

Mr. Chi Man Ma, aged 72, was appointed as an Independent Non-executive Director of the Company in 1998. He is also a Director of The Hong Kong Parkview Group Limited, a public listed company in Hong Kong. He has extensive working experience in the fields of travel, transport, economics and infrastructure development in Hong Kong and the PRC.

As far as the Directors are aware and save as disclosed above, Mr. Chi Man Ma 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. Ma. 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. Chi Man Ma was paid HK\$30,000 as director's remuneration for the year ended 31st December, 2004 and his annual remuneration package for 31st December, 2005 will be determined by the Board.

Dr. Lee G. Lam

Dr. Lee G. Lam, aged 45, 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 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 Global Communications Limited, Hutchison Harbour Ring Limited, Capital Strategic Investment Limited, Shanghai Ming Yuan Holdings 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 information technology 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\$30,000 as director's remuneration for the year ended 31st December, 2004 and his annual remuneration package for 31st December, 2005 will be determined by the Board.

APPENDIX III DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. Ryan Yen Hwung Fong

Mr. Ryan Yen Hwung Fong aged 31, 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. He is currently a director of HSZ (Hong Kong) Limited.

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\$30,000 as director's remuneration for the year ended 31st December, 2004 and his annual remuneration package for 31st December, 2005 will be determined by the Board.

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.

NOTICE OF ANNUAL GENERAL MEETING



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 Far East Technology International Limited (the “Company”) will be held at the Penthouse, Far East Consortium Building, 121 Des Vouex Road Central, Hong Kong on Monday, 23rd May, 2005 at 3:00 p.m. for the following purposes:

As ordinary business:

1. To adopt the audited financial statements and the reports of the Directors and of the auditors for the year ended 31st December, 2004.
2. To re-elect the retiring directors.
3. To authorize the Board of Directors to fix the remuneration of the Directors.
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;

NOTICE OF ANNUAL GENERAL MEETING

- (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.”

NOTICE OF ANNUAL GENERAL MEETING

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.”

NOTICE OF ANNUAL GENERAL MEETING

8. “**THAT** the rules of the share option scheme of the Company (a copy of which has been submitted to the meeting and signed by the Chairman of the Company for the purpose of identification) be and are hereby approved and that the directors of the Company be and are hereby authorised to implement the same and to grant options and to issue and allot shares of the Company pursuant thereto.”

By order of the Board

Duncan Chiu

Managing Director and Chief Executive Officer

Hong Kong, 27th April, 2005

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 Registrars, 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, Dato' David Chiu, Mr. Daniel Tat Jung Chiu and Mr. Chi Man Ma will retire by rotation and, being eligible, have offered themselves for re-election at the Annual General Meeting. Dr. Lee G Lam and Mr. Ryan Yen Hwung Fong 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 27 April 2005.

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 Dato' David Chiu, Mr. Daniel Tat Jung Chiu, Mr. Derek Chiu, Mr. Desmond Chiu and Miss Margaret Chiu and independent non-executive directors namely Mr. Chi Man Ma, Dr. Lee G. Lam and Mr. Ryan Yen Hwung Fong.