



FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)
(Website: <http://www.fet.com.hk>)
(Stock Code: 36)

MAJOR TRANSACTION DISPOSAL OF 2.64% EQUITY INTEREST IN CHINASOFT INTERNATIONAL LIMITED AND RESUMPTION OF TRADING

Financial Advisor

AmCap
Ample Capital Limited
豐盛融資有限公司

On 26th January, 2007, the Company disposed of 20 million Chinasoft Shares (representing approximately 2.64% of the issued share capital of Chinasoft) to Oriental Patron, an Independent Third Party, for a consideration of HK\$35.4 million which was satisfied in cash. Following the Disposal, the Company's equity interest in Chinasoft is reduced to 130,129,822 Chinasoft Shares, representing approximately 17.15% of the issued share capital of Chinasoft as at the date of this announcement.

On 20th November, 2006, the Company announced that it had disposed 20,000,000 Chinasoft Shares to two separate parties under the 2006 Disposal. As the type of asset disposed under the 2006 Disposal is the same as that disposed under the Disposal, the 2006 Disposal and the Disposal are aggregated under Rule 14.22 of the Listing Rules for the purpose of determining the percentage ratios. As the applicable "Consideration test" and "Revenue test" percentage ratios as defined in the Listing Rules exceed 25% but all percentage ratios are less than 75%, the Disposal constitutes a major transaction for the Company under the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

No Shareholders are required to abstain from voting at the general meeting in respect of the resolution to approve the Disposal and the Company has obtained from the major Shareholders which currently hold an aggregate of 60,797,561 Shares, representing approximately 55.55% of the issued share capital of the Company, a written approval for the Agreement, the Disposal and the transactions contemplated thereunder. Pursuant to Rule 14.44 of the Listing Rules, the Disposal which constitutes a major transaction for the Company has been approved by way of written shareholders' approval in lieu of holding a general meeting of the Company seeking approval from the shareholders.

A circular containing, among other things, further information in relation to the Disposal, will be sent to the Shareholders as soon as practicable.

Trading in the Shares was suspended on the Stock Exchange from 11:09 a.m. on Friday, 26th January, 2006 at the request of the Company pending the issue of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on Thursday, 1st February, 2007.

THE DISPOSAL

Date of the Disposal : 26th January, 2007
Purchaser : Oriental Patron
Vendor : the Company
Assets disposed : The Sale Shares

Following the Disposal, the Company's equity interest in Chinasoft is reduced to 130,129,822 Chinasoft Shares, representing approximately 17.15% of the issued share capital of Chinasoft as at the date of this announcement.

CONSIDERATION

The consideration for the Sale Shares is HK\$35.4 million and was satisfied in cash on 30th January, 2007.

The consideration for the Sale Shares was determined on an arm's length basis with reference to the recent market price of the Chinasoft Shares. The consideration per Sale Share of approximately HK\$1.77 represents a discount of approximately 6.84% to the closing price of HK\$1.90 per Chinasoft Share as quoted on the Stock Exchange on 26th January, 2007. The unaudited consolidated net asset value of Chinasoft as at 30th June, 2006 attributable to the Sale Shares was approximately HK\$12,166,000. The consideration per Sale Share represents a premium of approximately 190.16% over the unaudited consolidated net assets value per Chinasoft Share of approximately HK\$0.61 as at 30th June, 2006.

INFORMATION ON THE GROUP

The Company acts as an investment holding company. The principal activities of the Group are manufacturing and trading of garment, investment in properties for rental purpose, property development and investment in securities.

INFORMATION ON ORIENTAL PATRON

Oriental Patron, a private company incorporated in Hong Kong, is an Independent Third Party and a licensed corporation to conduct business in securities dealing.

INFORMATION ON CHINASOFT

Chinasoft was incorporated as an exempted company with limited liability in the Cayman Islands on 16th February, 2000 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of Chinasoft are listed on the GEM with effect from 20th June, 2003. Chinasoft is an investment holding company. The principal activities of the Chinasoft Group are development and provision of solutions, provision of information technology ("IT") consulting, training, outsourcing services and sale of standalone software and hardware products.

The audited net profit before/after taxation and net assets value of Chinasoft for the two years ended 31st December, 2004 and 2005 respectively were as follows:

	Year ended 31st December, 2005 RMB 'million	Year ended 31st December, 2004 RMB 'million
Net profit before taxation	48.71	39.05
Net profit after taxation	43.00	35.21
Net assets value	309.04	199.40

REASONS AND BENEFITS OF THE DISPOSAL

The Company acquired the Sale Shares in 2003. The disposal is expected to generate a gain of approximately HK\$33.56 million in the Group's profit and loss account. Such expected gain arises out of the difference between the consideration for the Sale Shares over the carrying value of the Sale Shares as recorded in the books of the Company. The Directors consider that it is in the best interest of the Group to take this opportunity to realize its investment in Chinasoft through the Disposal.

The net proceeds from the Disposal of approximately HK\$34.2 million will be used as general working capital of the Group.

The Directors consider that the terms of the Disposal are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

GENERAL

On 20th November, 2006, the Company announced that it had disposed 20,000,000 Chinasoft Shares to two separate parties under the 2006 Disposal. As the type of asset disposed under the 2006 Disposal is the same as that disposed under the Disposal, the 2006 Disposal and the Disposal are aggregated under Rule 14.22 of the Listing Rules for the purpose of determining the percentage ratios. As the applicable "Consideration test" and "Revenue test" percentage ratios as defined in the Listing Rules exceed 25% but all percentage ratios are less than 75%, the Disposal constitutes a major transaction for the Company under the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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DEFINITIONS

In this announcement, the following terms have the following meanings:

"2006 Disposal"	the disposal of 20,000,000 Chinasoft Shares to two separate parties announced by the Company on 20th November, 2006
"Board"	the board of Directors
"Company"	Far East Technology International Limited, a company incorporated in Hong Kong and the shares of which are listed on the Stock Exchange
"Chinasoft"	Chinasoft International Limited, a company incorporated in Cayman Island and the shares of which are listed on GEM
"Chinasoft Group"	Chinasoft and its subsidiaries
"Chinasoft Share(s)"	ordinary share(s) of HK\$0.05 each in the issued share capital of Chinasoft
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Shares by the Company to Oriental Patron
"GEM"	the Growth Enterprise Market of the Stock Exchange
"Group"	the Company and its subsidiaries
"HK\$"	Hong Kong dollars, the lawful currency of the Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	to the best of the Director's knowledge, information and belief, having made all reasonable enquiry, third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Oriental Patron"	Oriental Patron Securities Limited, a private company incorporated in Hong Kong and a licensed corporation to conduct business in securities dealing
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Sale Share(s)"	20 million Chinasoft Shares representing approximately 2.64% of the issued share capital of Chinasoft subject to the Disposal
"Share(s)"	ordinary share(s) HK\$0.01 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company

In this announcement, for the purpose of illustration only, certain amounts in RMB has been translated into HK\$ at a rate of RMB1.00 to HK\$1.00.

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

Hong Kong, 31st January, 2007

As at the date of this announcement, the executive directors are Deacon Te Ken Chiu, J.P., Mr. Duncan Chiu and Mr. Dennis Chiu, the non-executive directors are Tan Sri Dato' David Chiu, Mr. Daniel Tat Jung Chiu, Mr. Derek Chiu, Mr. Desmond Chiu and Ms. Margaret Chiu and Ms. Tang Min; and the independent non-executive directors are Dr. Lee G. Lam, Mr. Ryan Yen Hwung Fong and Mr. Hing Wah Yim.