



FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

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

(Stock Code: 36)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

On 29 November 2006, the Purchaser entered into the Provisional Agreement with the Vendor for the acquisition of the Property at a total consideration of HK\$27,000,000.

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular in connection with the Acquisition will be dispatched to the shareholders of the Company as soon as possible.

THE PROVISIONAL AGREEMENT

Date: 29 November 2006

Purchaser: River Joy Limited, a wholly-owned subsidiary of the Company

Vendor: Lee Lo Miu Ling and Lee Marcus

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate owners are third parties independent of the Company and connected persons (within the meaning ascribed to it in the Listing Rules) of the Company.

Property: Flat C on 22nd Floor of Tower 3, Tregunter, with car parking space No. 26 on level 5 of Tower 3, No. 14 Tregunter Path, Hong Kong.

Date of Completion: On or before 29 January 2007

Pursuant to the Provisional Agreement, the Vendor will sell and the Purchaser will purchase the Property upon the terms contained therein. The Vendor and the Purchaser will enter into the Formal Agreement on or before 12 December 2006 which will set out the terms of the Acquisition in more detail, is consistent with the Provisional Agreement. Further announcement will be published, if there are material deviation between the Formal Agreement and the Provisional Agreement.

Consideration

River Joy Limited, entered into the Provisional Agreement with Vendor to purchase the Property at a total consideration of HK\$27,000,000. The Property has a total gross floor area of approximately 3,001 sq.ft. approximately HK\$8,997 per sq.ft.. There is no existing tenancy agreement attached to the Property, and no profit will be generate thereof.

The total consideration of HK\$27,000,000 is payable to the Vendor for the Acquisition which was agreed on an arm's length basis between the Vendor and the Purchaser and on normal commercial terms with reference to the recent transaction records of similar properties in nearby locality.

The Consideration will be funded by the Group's internal resources and banking financing which is expected to be in the proportion of approximately 30% and 70% respectively. The Consideration has been or shall be (as applicable) paid by non-refundable cash as follows:

- (i) HK\$810,000 being the initial deposit representing approximately 3% of the Consideration paid on the signing of this Provisional Agreement;
- (ii) HK\$1,890,000 being the further deposit representing approximately 7% of the Consideration to be paid on the signing of the Formal Agreement; and
- (iii) the balance of HK\$24,300,000 to be paid upon Completion on or before 29 January 2007.

The Board considers that there is not material adverse impact on the operation of the Company after the Acquisition funded by internal resources and banking financing.

Completion is expected to take place on 29 January 2007 or such earlier date as agreed from time to time. The Purchaser will take vacant possession of the Property at the completion of the Formal Agreement.

The Property is for residential use and was previously leased out to a tenant at an aggregate monthly rental of HK\$55,000, inclusive of management fee, government rent and rates. The tenancy had already expired on 31 March 2006. The Property is now vacant.

Based on the old tenancy agreement, for the two years ended 31 March 2005 and 2006, net profit before taxation were approximately HK\$535,000 and HK\$535,000 respectively, whereas net profit after taxation for the two years ended 31 March 2005 and 2006 were approximately HK\$466,000 and HK\$466,000 respectively.

INFORMATION ON THE GROUP

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

REASONS FOR THE ACQUISITION

In view of recent property market conditions and possible trend of reducing interest rate, the Directors consider that the Acquisition is a sound investment opportunity for the Group. The Directors believe that the Acquisition will improve the Group's operating performance and widen its asset base. The Directors are of the view that the Acquisition is on normal commercial terms which are fair and reasonable and in the interests of the Company and its shareholders as a whole. The group will hold the Property as a long term investment.

GENERAL

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular in connection with the Acquisition will be dispatched to the shareholders of the Company as soon as possible.

DEFINITIONS

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

"Acquisition"	the acquisition of the Property by Purchaser from the Vendors at a total consideration of HK\$27,000,000
"Board"	the board of directors of the Company
"Company"	Far East Technology International Limited, a company incorporated in Hong Kong and the shares of which are listed on the Stock Exchange
"Completion"	completion of the sale and purchase of the Property
"Consideration"	the total consideration for the Acquisition, which amounts to HK\$27,000,000 under the Provisional Agreement
"Directors"	the directors of the Company
"Formal Agreement"	the formal sale and purchase agreement to be made by the Purchaser and the Vendor on or before 12 December 2006 in relation to the Acquisition, whose major terms will be substantially the same as those of the Agreement
"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
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Property"	Flat C on 22nd Floor of Tower 3, Tregunter, with car parking space No. 26 on level 5 of Tower 3, No. 14 Tregunter Path, Hong Kong
"Provisional Agreement"	the provisional sale and purchase agreement dated 29 November 2006 and entered into between the Purchaser and the Vendor in relation to the Acquisition
"Purchaser"	River Joy Limited, a wholly-owned subsidiary of the Company which incorporated in Hong Kong
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	Lee Lo Miu Ling and Lee Marcus, being third parties independent of the Company and connected persons of the Company
"%"	per cent.

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

Hong Kong, 7 December 2006

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 the independent non-executive directors are Dr. Lee G. Lam, Mr. Ryan Yen Hwung Fong and Mr. Hing Wah Yim.