



## FAR EAST TECHNOLOGY INTERNATIONAL LIMITED

(Incorporated in Hong Kong with limited liability)

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

(Stock Code: 36)

### DISCLOSEABLE TRANSACTION DISPOSAL OF 2.65% EQUITY INTEREST IN CHINASOFT INTERNATIONAL LIMITED

On 7th November, 2006, the Company disposed of 5 million Chinasoft shares (representing approximately 0.66% of the issued share capital of Chinasoft) to KGI an Independent Third Party, for a consideration of HK\$5.95 million to be satisfied in cash. Subsequently, on 13th November, 2006, the Company further disposed of 15 million Chinasoft shares (representing approximately 1.99% of the issued share capital of Chinasoft) to ABN•AMRO, an Independent Third Party, for a consideration of HK\$18 million to be satisfied in cash. Following the Disposals, the Company's equity interest in the Chinasoft will further reduced to 19.87%.

Based on the "five-tests" calculation set out in rule 14.07 of the Listing Rules, the applicable percentage ratios in respect of the Disposal exceed 5% but are less than 25%. The Disposal therefore constitutes a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules.

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

#### THE DISPOSAL

Date of the Disposal	: 7th November, 2006	13th November, 2006
Purchaser	: KGI	ABN•AMRO
Vendor	: the Company	the Company
Assets disposed	: Disposal (1)	Disposal (2)
	5 million ordinary shares of Chinasoft representing approximately 0.66% of the issued share capital of Chinasoft	15 million ordinary shares of Chinasoft representing approximately 1.99% of the issued share capital of Chinasoft
Completion of the Disposal	: completed on 9th November, 2006	completed on 16th November, 2006

#### CONSIDERATION

The considerations for the Disposal (1) and (2) were HK\$5.95 million and HK\$18 million respectively and were satisfied in cash on 9th November, 2006 and 16th November, 2006 respectively.

The considerations for the Disposal (1) and (2) are determined on an arm's length basis with reference to the audited consolidated net asset value of Chinasoft as at 31st December, 2005 attributed to the Sale Shares representing a premium of approximately 183.33% and 185.71% respectively over the audited consolidated net assets value per Share of approximately HK\$0.42.

The Disposal (1) represents a discount of approximately 11.19% to the closing price of HK\$1.34 per Share as quoted on the Stock Exchange on 7th November, 2006. While the Disposal (2) represents a discount of approximately 13.04% to the closing price of HK\$1.38 per Share as quoted on the Stock Exchange on 13th November, 2006.

#### INFORMATION ON THE GROUP

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

#### INFORMATION ON KGI

KGI Asia Limited, a private company incorporated in Hong Kong, an Independent Third Party and a licensed corporation to conduct securities dealing business.

#### INFORMATION ON ABN•AMRO

ABN•AMRO bank N.V., a bank incorporated in Netherlands, an Independent Third Party, and is also one of the licensed banks in Hong Kong.

#### INFORMATION ON THE 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 Growth Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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 year ended 31st December, 2005 and 31st December, 2004 respectively were as follows:

	<b>31.12.2005</b>	31.12.2004
	<b>RMB</b>	<b>RMB</b>
Net profit before taxation	<b>48.71 million</b>	39.05 million
Net profit after taxation	<b>43.00 million</b>	35.21 million
Net assets value	<b>309.04 million</b>	199.40 million

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

#### REASONS AND BENEFITS FOR THE DISPOSAL

The Company acquired the Sale Shares in 2003. The consideration for the Disposal of the Sale Shares represents a premium of approximately HK\$22.04 million over the carrying value of the Sale Shares as recorded in the audited consolidated accounts of the Company for the year ended 31st December, 2005. 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\$23.86 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

Based on the "five-tests" calculation set out in rule 14.07 of the Listing Rules, the applicable percentage ratios in respect of the Disposal exceed 5% but are less than 25%. The Disposal constitutes a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules.

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

#### DEFINITIONS

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

"ABN•AMRO"	ABN•AMRO Bank N.V., a bank incorporated in Netherlands and is also one of the licensed bank in Hong Kong
"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
"Chinasoft"	Chinasoft International Limited, a company incorporated in Cayman Island and the shares of which are listed on the Growth Enterprise Market of the Stock Exchange
"Directors"	the directors of the Company
"Disposal"	the disposal of the Sale Shares by the Company to KGI and ABN•AMRO
"Group"	the Company and its subsidiaries
"KGI"	KGI Asia Limited, a private company incorporated in Hong Kong and a licensed corporation to conduct securities dealing business
"HK\$" / "Hong Kong"	Hong Kong dollars, the lawful currency of the 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
"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 Shares"	20 million ordinary shares of Chinasoft representing approximately 2.65% of the issued share capital of Chinasoft at a consideration of HK\$23.95 million

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

Hong Kong, 20th November, 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.