

CHAIRMAN'S STATEMENT



RESULTS

The Board of Directors of Far East Technology International Limited (the "Company") announces that the audited consolidated net loss attributable to shareholders of the Company and its subsidiaries (together the "Group") for the year ended 31st December, 2000 was HK\$92,743,662 (1999: HK\$88,401,536), with loss per share of 29.6 cents (1999: HK\$29.6 cents).

FINANCIAL RESOURCES AND LIQUIDITY

Borrowings and Charge on Group Assets

The Group's total borrowings amount to approximately HK\$272 million as at 31st December, 2000 (1999: HK\$252 million).

Interest rates were in line with the best lending rates either at prime or based on the Hong Kong Inter-bank Offer Rate.

Gearing Ratio

The gearing ratio (total bank borrowings to shareholders' equity) as at 31st December, 2000 was 70% (1999: 57%).

Current Ratio

The current ratio as at 31st December, 2000 was 0.72 (1999: 0.46). The Group has maintained sufficient liquid assets to finance its daily operations.

BUSINESS REVIEW AND PROSPECTS

Technology Division

The joint venture with China National Computer Software and Technology Services Corporation ("CS&S"), the largest software company in the People's Republic of China, is progressing well and has contributed satisfactory profits to the Group.

The joint venture company, ChinaSoft FE International Information Technology Limited, will carry on several businesses. Firstly, it will continue to act as a system integrator and an e-solution provider in China. The companies that CS&S injected into our joint venture company include CS&S Cyber Chinese Information Technology Limited which is specialised in system integration and providing e-commerce solutions in China for various industries and is a leading e-commerce solution partner with IBM and other leading technology companies in China.

CS&S Training Centre is another company injected by CS&S into the joint venture company. CS&S Training Centre is the earliest computer skills related training school in China established in 1981. It has trained more than 400,000 people since its establishment and now offers wide range of courses like MCSE, JAVA and Oracle 8, etc. in China. Effort is being made to enhance the training environment and upgrade the current portal to a more web-enabled and interactive environment which can accommodate larger number of students online simultaneously.



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In view of the market down trend in the technology industry, the Board will take a more cautious approach in future IT investments. The Company is reviewing its investment in Tricom Cyberworld Holdings Limited but will continue with CS&S to pursue for further development opportunity. It is anticipated that the success of the joint venture with CS&S will have substantial contribution to the Group's earnings.

Property Division

In Hong Kong, the rental income continued to contribute a steady cashflow to the Group. We have converted the Golden Dragon Theatre, Waldorf Theatre and Warwick Theatre into commercial usage and continued to study the feasibility of other modification of the cinemas within the Group.

In Malaysia, the sale of high-end bungalow in Tuanku Jaafar Golf & Country Resort has been promising. Other property launches will be carried out to meet the market demands at the appropriate time. We believe that the improved market sentiment would help us gradually in getting the return on our investment in Malaysia.

In Singapore, our investment property Parkway Centre, has continued to generate steady rental income and we are looking at the right opportunity to further launch the sale of office units.

Industry Division

The Group's joint venture garment factory in Jiangsu, Jiangsu Bang Bang Silky Fashion Manufacturer Company Limited is performing well and has contributed satisfactory profits to the Group.

Leisure and Entertainment Division

The operation of our first Rainforest Cafe in Singapore is satisfactory. The Golf operation in Malaysia is also improving steadily.

As announced in the press on 12th April, 2001, the Company entered into a conditional agreement with independent third parties for the disposal of the Company's 95% owned subsidiary in Singapore, Tang Dynasty City Pte. Ltd. in exchange for the acquisition of 49% interest in Asian Mark Limited. The Company will continue to dispose of its non-core assets when opportunities so arise.

The Group will further consolidate its business activities and continue to pursue new investment opportunities, especially with better growth potential in China.

Deacon Te Ken Chiu
Chairman

Hong Kong, 26th April, 2001