

CORPORATE RESULTS

For the year ended 31st December, 2006, the Company and its subsidiaries (the "Group") generated a turnover from continuing operations of approximately HK\$66.3 million (2005: HK\$48.6 million), representing an increase of 36.4% compared with last year due to substantial increase in securities investment and trading activities.

The Group had earned a net profit attributable to equity holders of the Company approximately HK\$15.96 million (2005: HK\$14.91 million), an increase 7% from last year because of gain on disposal of entire equity interests in a jointly controlled entity and disposal of partial equity interests in an associate. The earnings per share from continuing and discontinued operations for the year ended 31st December, 2006 was 14.6 HK cents (2005: 20.2 HK cents, restated), a decrease of 27.72% over last year.

DIVIDEND

No interim dividend was paid during the year and no final dividend was recommended by the directors.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2006, the Group had cash and bank balances, pledged deposits and deposits held at financial institutions amounting to HK\$47.91 million (2005: HK\$46.48 million). Basically, the Group's funding policy was to finance the business operations with internally net generated cash and bank facilities. As at 31st December, 2006, the Group had total borrowings of HK\$11.26 million (2005: HK\$15.75 million) of which HK\$11.01 million (2005: HK\$15.37 million) was payable within one year and the remaining was payable after one year and was fully secured. The Group's borrowings were denominated in Hong Kong dollar, Japanese Yen and United States dollar.

Interest rates were in line with the best lending rates either at prime or based on the Hong Kong Inter-bank Offer Rate. The Group did not have any financial instruments used for hedging purpose.

GEARING RATIO AND CURRENT RATIO

The Group's gearing ratio (total bank and other loans to shareholders' equity) as at 31st December, 2006 declined to 5.95% (2005: 9.2%). The Group's current ratio (current assets to current liabilities) as at 31st December, 2006 has increased to 4.81 (2005: 2.16, restated). On the whole, the financial position and liquidity of the Group is healthy and stable.

CAPITAL STRUCTURE

Pursuant to an ordinary resolution passed at the annual general meeting of the Company on 23rd May, 2006, 9.95 million shares were issued and allotted on 30th May, 2006 as fully paid up by way of an one for ten bonus issue in respect of which an amount of HK\$0.1 million was applied to the credit of the share premium account. Accordingly, the Company's issued share capital was increased from HK\$1 million to HK\$1.1 million by the bonus issue of 9.95 million shares of HK\$0.01 each in the share capital of the Company. The new ordinary shares rank pari passu with the existing shares in all respect.

PLEDGE OF ASSETS

At 31st December, 2006, the Group had pledged certain listed investments, bank deposits and certain properties with an aggregate carrying value of approximately HK\$41.3 million (2005: HK\$42.1 million, restated) to banks, financial institutions for margin trading facilities, and other loan facilities to the Group to the extent of approximately HK\$32.9 million (2005: HK\$51.4 million, restated).

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**Contingent Liabilities**

At 31st December, 2006, the Group had no significant contingent liabilities (2005: Nil).

Capital Commitments

On 27 September 2006, Jubilee Star Limited ("Jubilee Star"), a subsidiary of the Group, and China Aviation Supplies Import and Export Group Corporation ("China Aviation") entered into a conditional joint venture agreement for transformation of Beijing Kailan Aviation Technology Co. Ltd. ("Beijing Kailan") into an equity joint venture through capital injection of approximately RMB20.47 million into Beijing Kailan by Jubilee Star. Upon completion of the transformation, China Aviation and Jubilee Star will own a 68% and 32% equity interest in Beijing Kailan respectively. The obligation of Jubilee Star to contribute capital of approximately RMB20.47 million is conditional upon the fulfillment of certain terms and conditions and approval from relevant authorities.

At 31st December, 2006, the Group had a capital commitment of HK\$24.3 million (2005: Nil) contracted but not provided for regarding the purchase of Flat C on 22 Floor of Tower 3, Tregunter, with car park space No. 26 on level 5 of Tower 3, No. 14 Tregunter Path, Hong Kong.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the year, the China Entertainment (Jiangsu) Development Limited (a wholly-owned subsidiary of the Company) entered into a conditional share transfer agreement with the 無錫市新業建設發展公司 for the disposal of 65% equity interest in Wuxi Cheerman Property Company Limited at a consideration of RMB15.5 million.

The company acquired of HK\$8.3 million principal amount of the Convertible Notes of Golife Concepts Holdings Limited (the "Golife") from First Vantage Limited on 25 August 2006 at a consideration of HK\$4.98 million. The Company has already purchased 54,223,600 Golife shares in open market of Stock Exchange and subscription offer shares from Golife during the period from 2 December 2005 to 14 July 2006 at a consideration of approximately HK\$5.5 million.

On 7 November 2006, the Company disposed of 5 million Chinasoft International Limited (the "Chinasoft") shares to KGI Asia Limited, for a consideration of HK\$5.95 million. Subsequently, on 13 November 2006, the Company further disposed of 15 million Chinasoft shares to ABN-AMRO Bank N.V., for a consideration of HK\$18 million.

On 13 November 2006 the Company disposed its entire 90% equity interest in Goldtrack Limited (the "Goldtrack") the principal underlying asset of which was 70% equity interest in Suzhou Goldtract Commodity Concrete Company Limited (the "Suzhou Goldtract") which was operating one commodity concrete plant in Suzhou, the PRC for a consideration of HK\$1.00.

EMPLOYEES AND REMUNERATION POLICIES

At 31st December, 2006, the Group had approximately 500 employees in Hong Kong and PRC (2005: 600 employees). The Group offers its employees competitive remuneration packages based on industry's practices and performance of individual employee. Year-end discretionary bonus would be granted to reward and motivate those well-performed employees. The Group had adopted a share option scheme on 23rd May, 2005 and discretionary share options would be granted to reward and motivate those well performed employees. There were totaling 13,337,720 share options has been granted and outstanding as at 31 December 2006.

BUSINESS REVIEW AND PROSPECTS

Information Technology Holdings

Chinasoft is an associate of the Group listed in the Growth Enterprise Market (Stock code: 8216). Chinasoft has recorded a net loss of RMB66,593,000 for the year ended 31st December 2006. However, the reason for Chinasoft to jump from profit to loss is mainly due to two exceptional items which include an amount of RMB110,558,000 of the effect of adoption of Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement" HKAS39 in relation to redeemable convertible preferred shares and another amount of RMB10,764,000 of the issuing expenses for redeemable convertible preferred shares. If the two exceptional items totaling RMB121,322,000 were deducted from the Audited Loss attributable to Shareholders of RMB66,593,000 as per the annual result, the adjusted annual result would be RMB54,729,000 in profit rather than a loss.

Comparing the adjusted annual result for the year ended 31st December, 2006 of RMB54,729,000 (audited loss add back exceptional items) to annual result for the year ended 31st December, 2005 of RMB39,656,000 net profits a growth of 38% rather than a severe loss was achieved.

The year of 2006 saw Chinasoft consolidated its leading position in providing e-Tobacco and e-Audit solutions and we also saw rapid growth in IT outsourcing services. There were also several successful acquisitions in 2006 and with the announced merger and acquisition with Hinge Global Resource Inc. scheduled to be completed in 2007. Chinasoft will scale up its operations further and we shall see rapid growth in 2007.

Industrial Holdings

For the industrial division, Jiangsu Bang Bang Silky Fashion Manufacturer Company Limited (the "Jiangsu Bang Bang") records a slight decrease in sales of 4% approximately to RMB34.21 million (2005: RMB35.62 million) over last year. Currently, Japanese customers purchased majority of its products and a weak Japanese Yen (the "YEN") will discourage our customers from increasing orders. YEN has stayed weak throughout 2006 and to reduce impacts from currency fluctuations in 2007, Management has spent effort in expanding sales in PRC market.

Property Division

Rental incomes were increased by 19% approximately to HK\$1.03 million in 2006 (2005: HK\$0.86 million). It was attributable to rental income contribution from Kwai Cheung Fa Yuen at Kwai Chung. In view of the steady rise of property market in Hong Kong, management is optimistic that property division will maintain steady incomes and cash flow.

OUTLOOK

The Company has changed its name from Far East Technology International Limited to Far East Holdings International Limited on 27 February, 2007. The board believes that this action is necessary and that the new company name will more appropriately represent the Group's business nature. The management will continue to spend our best efforts to search for investment opportunities in the Greater China region and optimise returns for our shareholders.

Duncan Chiu

Managing Director and Chief Executive Officer

Hong Kong, 20th April, 2007