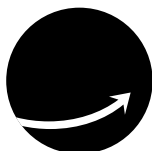

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Far East Pharmaceutical Technology Company Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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FAR EAST PHARMACEUTICAL TECHNOLOGY COMPANY LIMITED
(遠東生物制藥科技有限公司)

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

CAI Chong Zhen (*Chairman*)
CHEN Ching Ken (*Vice Chairman*)
TSO Ming Sing, Barton (*Managing Director*)
CAI Cong Yi
CHEN Wei
WONG Sui Kwong

Registered Office:

Century Yard
Cricket Square
Hutchins Drive
P. O. Box 2681GT
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Grand Cayman
British West Indies

Independent Non-executive Directors:

HU Ling Po
YU Er Feng

Principal Place of Business:

Suite 2305, 23/F
CMG Asia Tower
The Gateway
Tsimshatsui
Kowloon
Hong Kong

31 October 2003

To the shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE
THE COMPANY'S OWN SHARES
AND TO ISSUE NEW SHARES**

I. INTRODUCTION

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange.

The purpose of this circular is to provide you with information relating to the ordinary resolutions to be proposed at the forthcoming annual general meeting of the Company to be held on 18 December 2003 (the “Annual General Meeting”) to (1) grant to the directors of the Company (the “Directors”) a general mandate to exercise the powers of the Company to undertake repurchases of the Company’s fully paid-up shares (the “Shares”) up to a maximum of 10% of the issued share capital of the Company on the date of the passing of the relevant ordinary resolution (the “Buyback Mandate”); (2) grant a general mandate to the Directors to issue new Shares up to a maximum of 20% of the issued share capital of the Company on the date of the passing of the relevant ordinary resolution (the “Issuance Mandate”); and (3) extend the Issuance Mandate by the number of Shares repurchased under the Buyback Mandate, if any.

The Directors wish to draw the attention of the shareholders of the Company (the “Shareholders”) to the fact that the existing general mandates to repurchase Shares and to issue new Shares granted by the Shareholders will expire at the Annual General Meeting and, accordingly, ordinary resolutions to approve the Buyback Mandate and the Issuance Mandate will be proposed at the Annual General Meeting.

In accordance with the Listing Rules, this circular also serves as the explanatory statement to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolution regarding the granting of the Buyback Mandate to be proposed at the Annual General Meeting.

II. EXPLANATORY STATEMENT ON PROPOSED GRANTING OF BUYBACK MANDATE

1. Reasons for share buyback

The Directors believe that the proposed granting of the Buyback Mandate is in the interests of the Company and the Shareholders.

Repurchases of the Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company’s Shares and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. Share capital

As at 29 October 2003, the latest practicable date prior to the printing of this circular (the “Latest Practicable Date”), the issued share capital of the Company comprised 2,035,742,400 Shares of HK\$0.025 each.

Subject to the passing of the relevant ordinary resolution to approve the granting of the Buyback Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed under the Buyback Mandate to repurchase a maximum of 203,574,240 Shares of HK\$0.025 each (representing 10% of the Shares in issue as at the Latest Practicable Date) during the period in which the Buyback Mandate remains in force.

3. Funding of repurchases

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum and articles of association of the Company, the laws of the Cayman Islands and/or any other applicable laws.

The Company is empowered by its memorandum and articles of association to repurchase its Shares. The laws of the Cayman Islands provide that the amount of capital paid in connection with a share repurchase may be paid out of either the profits of the Company or out of the proceeds of a fresh issue of Shares made for such purpose or, subject to the provisions of the Cayman Islands laws, out of capital. The amount of premium payable on repurchase may be paid out of the profits of the Company or out of the share premium account of the Company or, subject to the provisions of the Cayman Islands laws, out of capital.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report of the Company for the year ended 30 June 2003) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. Market prices

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during the previous twelve months before the Latest Practicable Date were as follows (such prices have been adjusted due to the subdivision of every share of the Company of HK\$0.10 into four shares of HK\$0.025 each, which was effected on 28 October 2003):

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2002		
October	0.403	0.305
November	0.460	0.373
December	0.475	0.425
2003		
January	0.519	0.440
February	0.588	0.498
March	0.600	0.519
April	0.613	0.563
May	0.644	0.594
June	0.681	0.613
July	0.656	0.600
August	0.800	0.631
September	0.869	0.781

5. Repurchases of Shares made by the Company

No repurchase of Shares has been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

6. General

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention to sell Shares to the Company under the Buyback Mandate in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases of the Shares under the Buyback Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

If, on the exercise of the power to repurchase Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of The Code on Takeovers and Mergers (the "Code"). Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, Great Wall Investment Group Limited, the Company's substantial shareholder, was interested in 1,227,376,000 Shares, representing approximately 60% of the total issued share capital of the Company. On the basis that no Shares are issued or repurchased prior to the Annual General Meeting, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the Annual General Meeting, the interests of Great Wall Investment Group Limited in the issued Shares would be increased to approximately 67% of the total issued share capital of the Company. The Directors are not aware of any consequences which will arise under the Code as a result of any repurchases to be made under the Buyback Mandate.

III. RESOLUTIONS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING

The ordinary resolution no. 5 set out in the notice of the Annual General Meeting relates to the granting of the Buyback Mandate.

The ordinary resolution no. 6 set out in the notice of the Annual General Meeting relates to the granting of the Issuance Mandate.

The ordinary resolution no. 7 set out in the notice of the Annual General Meeting relates to the extension of the Issuance Mandate to be granted to the Directors by adding to it the number of Shares repurchased under the Buyback Mandate, if any.

The Directors consider that the granting of the Issuance Mandate gives the Company the flexibility in the event it becomes desirable for the Company to allot, issue and deal with additional Shares. The Directors wish to state that they have no immediate plans to issue any new Shares.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company following the Annual General Meeting or any earlier date as referred to in the ordinary resolutions nos. 5 and 6 set out in the notice of the Annual General Meeting.

IV. PROXY ARRANGEMENT

A form of proxy for use at the Annual General Meeting is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Share Registrar in Hong Kong, Tengis Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not prevent Shareholders from attending and voting at the Annual General Meeting if they so wish.

V. RECOMMENDATION

The Directors consider that the granting of the Buyback Mandate and the granting/extension of the Issuance Mandate are in the best interests of the Company and the Shareholders and accordingly recommend that all Shareholders vote in favour of resolutions nos. 5 to 7 to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
CAI Chong Zhen
Chairman