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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)

(Stock Code: 399)

**GENERAL DISCLOSURE UNDER RULE 13.18 OF
THE LISTING RULES**

This announcement is made in compliance with the disclosure requirement under Rule 13.18 of the Listing Rules.

Under the Listing Rules, a general disclosure obligation will arise where an issuer (or any of its subsidiaries) enters into a loan agreement that includes a condition imposing specific performance obligations on any controlling shareholder of the issuer and the breach of such obligation will cause a default in respect of loans that are significant to the operations of the issuer.

On 10 May 2004, the Company as borrower entered into a written Loan Agreement with a group of 13 banks and financial institutions for credit loan facility of up to US\$80,000,000, which is unsecured and interest bearing, to be repaid within 36 months from the date of the Loan Agreement by 7 quarterly instalments. The aforesaid credit loan facility was lead-arranged by Raiffeisen Zentralbank Österreich AG, Singapore Branch and Standard Chartered Bank as mandated co-ordinating arrangers. The first repayment instalment of the loan must be repaid on the date of falling 18 months after the date of the Loan Agreement and subsequent repayment instalments must be repaid at quarterly intervals from that date.

Under the Loan Agreement, it would be an event of default if (i) Mr Cai Chong Zhen ceases to be the chairman of the Group and/or (ii) Great Wall, the controlling shareholder of the Company, ceases to be the single largest shareholder of the Company; or ceases to be the legal and registered holder of at least 35% of the issued share capital of the Company free from any security interest; or ceases to hold the shares of the Company as trustee of The Great Wall Unit Trust free from any security interest.

Accordingly, the Company is under a general obligation under Rule 13.18 of the Listing Rules to disclose the details of the Loan Agreement.

The directors of Far East Pharmaceutical Technology Company Limited (the “Company”) make the following disclosure in compliance with Rule 13.18 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

On 10 May 2004, the Company as borrower entered into a written loan agreement with a group of 13 banks and financial institutions for credit loan facility of up to US\$80,000,000 (the “Loan Agreement”), which is unsecured and interest bearing, to be repaid within 36 months from the date of the Loan Agreement by 7 quarterly instalments. The aforesaid credit loan facility was lead-arranged by Raiffeisen Zentralbank Österreich AG, Singapore Branch and Standard Chartered Bank as mandated co-ordinating arrangers. The first repayment instalment of the loan must be repaid on the date of falling 18 months after the date of the Loan Agreement and subsequent repayment instalments must be repaid at quarterly intervals from that date. The aforesaid loan of which approximately US\$52 million is intended to be used to first refinance the existing facilities of the Company and with the balance for financing the general corporate funding requirements of the Company. Up to the date of this announcement, the Company does not have any specific investment plan.

Pursuant to the Loan Agreement, it would be an event of default if (i) Mr. Cai Chong Zhen ceases to be the chairman of the Group and/or (ii) Great Wall Investment Group Limited (“Great Wall”), the controlling shareholder of the Company, ceases to be the single largest shareholder of the Company; or ceases to be the legal and registered holder of at least 35% of the issued share capital of the Company free from any security interest; or ceases to hold the shares of the Company as trustee of The Great Wall Unit Trust, a unit trust of which all of the units in issue are owned by Trident Corporate Services (B.V.I.) Limited in its capacity as the trustee of The C&C Trust, a discretionary family trust of which the objects include Mr. Cai Chong Zhen and his spouse and the family members of Mr. Chen Ching Ken, a director of the Company free from any security interest.

A breach of the aforesaid terms of the Loan Agreement will constitute an event of default by the Company under the Loan Agreement. Upon the occurrence of an event of default, Standard Chartered Bank, the facility agent may, and must if so instructed by the majority lenders, by notice (i) cancel all or any part of the total amount of loans set by the lenders; and/or (ii) declare that all or part of any loans outstanding are immediately due and payable and/or payable on demand by the facility agent acting on the instructions of the majority lenders. In the event of a breach of the aforesaid terms of the Loan Agreement, the Company will comply with the general disclosure obligation under Rule 13.19 of the Listing Rules.

GENERAL

As at the date of this announcement, Mr Cai Chong Zhen is the chairman of the Group and Great Wall is the legal and registered holder of 1,227,376,000 shares of the Company, representing approximately 56.41% of the issued share capital of the Company.

The directors of the Company undertake to comply with the continuing disclosure requirements under Rule 13.21 of the Listing Rules.

As at the date of this announcement, the executive directors of the Company are Mr Cai Chong Zhen, Mr Chen Ching Ken, Mr Tso Ming Sing, Barton, Mr Cai Cong Yi, Mr Chen Wei and Ms Shen Ye and the independent non-executive directors of the Company are Ms Hu Ling Po and Mr Yu Er Feng.

By order of the Board
Cai Chong Zhen
Chairman

Hong Kong, 11 May 2004

Please also refer to the published version of this announcement in China Daily.