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If you have sold or transferred all your shares in **FAR EASTERN POLYCHEM INDUSTRIES LIMITED**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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FAR EASTERN POLYCHEM INDUSTRIES LIMITED (遠東化聚工業股份有限公司)*

(Incorporated in Bermuda with limited liability)

AMENDMENTS TO BYE-LAWS

The circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this circular is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The notice convening the annual general meeting of the Company to be held on 25th June 2004 is contained in the 2003 annual report of the Company. Shareholders of the Company are advised to read the notice and to complete and return the form of proxy for use at the annual general meeting enclosed with the 2003 annual report of the Company in accordance with the instructions printed thereon.

This circular will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the day of its posting.

* For identification purposes only

30th March 2004

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.



FAR EASTERN POLYCHEM INDUSTRIES LIMITED
(遠東化聚工業股份有限公司)*
(Incorporated in Bermuda with limited liability)

Executive Directors:

Mr. Shu-Tong Hsu, *Chairman*
Mr. Jar-Yi Shih, *Deputy Chairman*
Mr. Champion Lee, *Chief Financial Officer*
Mr. Lih-Teh Chang, *Chief Executive Officer*
Mr. Chin-Sen Tu, *Chief Accountant and
Compliance Officer*

Principal place of business in Hong Kong:

Unit A, 11th Floor,
Lippo Leighton Tower,
103-109 Leighton Road,
Causeway Bay,
Hong Kong

Non-executive Director:

Mr. Shaw-Y Wang

*Head office and principal place of business
in the PRC:*

31st Floor, Bao An Tower,
800, Dongfang Road,
Pudong,
Shanghai,
The People's Republic of China

Independent non-executive Directors:

Mr. Tak-Lung Tsim, *Dominic*
Mr. Ying-Ho Wong, *Kennedy*
Mr. Shih-Hung Chan

30th March 2004

To the shareholders of the Company

Dear Sir or Madam,

AMENDMENTS TO BYE-LAWS

INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposed amendments to the existing bye-laws of Far Eastern Polychem Industries Limited (the "Company") in order to comply with the amended Appendix 3 of the GEM Listing Rules which will become effective on 31st March, 2004 and to seek your approval of the special resolution relating to this matter (the "Special Resolution") which will be proposed at the forthcoming annual general meeting of the Company to be held on 25th June 2004 (the "Annual General Meeting"). Details of the Special Resolution are set out in the notice convening the Annual General Meeting as contained in the 2003 annual report of the Company dated 10th March 2004.

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LETTER FROM THE BOARD OF DIRECTORS

AMENDMENTS TO THE BYE-LAWS

The Stock Exchange has recently amended, among other things, Appendix 3 of the GEM Listing Rules and the revised GEM Listing Rules will take effect on 31st March 2004. The Company as a listed issuer is required to amend its bye-laws to ensure compliance with the amended provisions of Appendix 3 to the GEM Listing Rules at the earliest opportunity and, in any event, no later than the conclusion of its next annual general meeting.

The main area of the proposed amendments are as follows:

- bye-law 1 To define “associate” in accordance with the GEM Listing Rules;
- bye-law 103 Director shall abstain from voting at the board meeting on any matter in which not only he, but also any of his associates, has a material interest and the Director shall not be counted towards the quorum of the relevant board meeting;
- bye-law 88 A minimum of 7 days’ period for lodgment by shareholders of the notice is required to nominate a director other than the retiring Director and such notice shall commence no earlier than the day after the despatch of the notice of meeting appointed for such election and end no later than 7 days before the date of such meeting; and
- bye-law 76 A new provision is proposed to add in the bye-laws regulating that, where the Company has knowledge that any shareholder is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

This amendment will not affect the rights of shareholders of the Company. Consequently, a Special Resolution (the particulars of which are set out in the notice of the Annual General Meeting) to amend these bye-laws will be proposed at the Annual General Meeting.

RECOMMENDATION

The Directors consider that the amendments to the bye-laws are in the best interests of the Company and its shareholders and, accordingly, recommend that all shareholders to vote in favour of the resolution set out in special resolution 7 in the notice convening the Annual General Meeting to be proposed at the Annual General Meeting.

Yours faithfully,
On behalf of the Board of Directors
Shu-Tong HSU
Chairman