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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)

RETAINMENT OF AUDITORS OF THE COMPANY

The Company has been informed that, with effect from 1st July 2002, its former auditors, Arthur Andersen & Co. in Hong Kong, merged their practice with that of PricewaterhouseCoopers Certified Public Accountants. The merged audit firm practice will continue under the name of PricewaterhouseCoopers Certified Public Accountants. On 26th June 2002, the Company received notice from Arthur Andersen & Co. of its resignation as auditors of the Company with effect from that date. There was nothing that should be brought to the attention of the Stock Exchange.

The board of directors of the Company (the “Board”) has already appointed PricewaterhouseCoopers Certified Public Accountants as replacement auditors to act as the Company’s new auditors. According to the resolution passed at the Company’s annual general meeting on 26th June, 2002, the Company now continue to retain the merged audit firm as the auditors of the Company on the condition that all the terms in respect of the provision of services by the merged audit firm remain unchanged.

By Order of the Board
Far Eastern Polychem Industries Limited
Mr. Shu-Tong Hsu
Chairman

Hong Kong, 4th July, 2002

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

This announcement, for which the directors of the Company (the “Directors”) 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 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 announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

** For identification purpose only*