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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)

Deferral of Completion of the Acquisition of Assets from Dupont Suzhou Polyester Company Limited

The Board announces that FEPI and DSPC have agreed to extend the long stop date for completion of the Agreement and the Investment Agreement, by which time all conditions precedent are to be fulfilled (or waived), to 31 March 2003.

Reference is made to the announcement of Far Eastern Polychem Industries Limited (“FEPI”) dated 18 April 2002 and the circular of FEPI dated 8 May 2002 in respect of the acquisition of certain assets, raw materials and work-in-progress from Dupont Suzhou Polyester Company Limited for a consideration of not more than US\$37.62 million. Capitalised terms used herein have the same meanings as those defined in the Announcement and the Circular.

Pursuant to the Agreement and the Investment Agreement, completion was expected to take place on or before 31 December 2002, after all the conditions precedent set out in the Agreement and the Investment Agreement had been fulfilled (or waived).

Due to administrative delay, certain approvals are still outstanding from the PRC government authorities (including the approval of the feasibility study report from the Economic and Trade Commission of Beijing). Such condition was set out in the Agreement and the Investment Agreement and cannot be waived. As the Directors consider that the reasons for the Acquisition of Assets from DSPC as set out in the announcement of FEPI dated 18 April 2002 and the Circular of FEPI dated 8 May 2002 are still valid and

the Acquisition is still beneficial to the Group's future development as of the date of this announcement, the Board announces that FEPI and DSPC have agreed to extend the long stop date for completion of the Agreement and the Investment Agreement, by which time all conditions precedent are to be fulfilled (or waived), to 31 March 2003, or such other date as the parties may otherwise agree.

Save for the above, the terms and conditions of the Agreement and Investment Agreement remain unchanged, and had been fulfilled as of the date of this announcement. No terms and conditions of the Agreement and Investment Agreement were waived. A further announcement will be made should completion of the Agreement and Investment Agreement not take place by 31 March 2003 or otherwise a further announcement will be made after completion of the Agreement and the Investment Agreement.

By Order of the Board
Far Eastern Polychem Industries Limited
Shun Fai Liu
Company Secretary

Hong Kong, 30 December 2002

** for identification purposes only*

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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.

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