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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)

(Stock Code: 8012)

GENERAL DISCLOSURE ANNOUNCEMENT

Completion of the acquisition of Business Assets from Dupont Suzhou Polyester Company Limited

The Board is pleased to announce that completion of acquisition of the Business Assets from DSPC took place on 1 November 2004. The Board is also pleased to announce the completion of the Investment Agreement.

Reference is made to the announcement of Far Eastern Polychem Industries Limited (“FEPI”) dated 18 April 2002, the circular of FEPI dated 8 May 2002, the announcements dated 30 December 2002, 1 April 2003, 30 September 2003, 31 December 2003, 27 February 2004, 30 April 2004, 30 June 2004 and 30 July 2004 in respect of the acquisition of certain assets, raw materials and work-in-progress from Dupont Suzhou Polyester Company Limited (“DSPC”). Capitalised terms used herein have the same meanings as those defined in the announcements and the circular.

This announcement is made under the general disclosure requirements of GEM Listing Rule 17.10.

Completion of the acquisition of the Business Assets

As the terms and conditions of the Agreement and the Investment Agreement have been fulfilled, the Board is pleased to announce that completion of the acquisition of the Business Assets from DSPC took place on 1 November 2004.

Consideration for the acquisition of the Business Assets

Due to the delay in the completion of the acquisition of the Business Assets from DSPC, the contracting parties have agreed that the cash consideration for the acquisition be further adjusted from US\$33.0 million to US\$32.0 million. The Directors consider the reduced

consideration is fair and reasonable and the acquisition of the Business Assets is in the interests of FEPI and its shareholders as a whole. US\$8 million of the consideration has been paid to DSPC in cash on 1 November 2004, with the balance due to be paid to DSPC on or before 30 November 2004. Other terms of the Agreement remain unchanged.

Completion of the Investment Agreement

In addition, pursuant to the Investment Agreement as described in the circular of FEPI dated 8 May 2002, FEDP (Holding) Limited (“FEDP”) has issued to FEPI, Mitsubishi Corporation and a subsidiary of E.I. DuPont de Nemours and Company 158,800 (to supplement the 1,200 shares previously issued to FEPI), 20,000 and 20,000 shares for cash consideration of US\$20 million, US\$2.5 million and US\$2.5 million, respectively, as a result of which they own 80%, 10% and 10%, respectively, of the issued share capital of FEDP. The subscription proceeds will be applied by FEDP in satisfying the balance of the payment due for the Business Assets.

By Order of the Board
Far Eastern Polychem Industries Limited
Wai-Kit Kong
Company Secretary

Hong Kong, 1 November 2004

** for identification purposes only*

As at the date of this announcement, Mr. Shu-Tong Hsu, Mr. Jar-Yi Shih, Mr. Champion Lee, Mr. Lih-Teh Chang and Mr. Chin-Sen Tu are Executive Directors of the Company; Mr. Shaw-Y Wang is a Non-executive Director; Mr. Tak-Lung Tsim, Mr. Ying-Ho Wong and Mr. Shih-Hung Chan are Independent Non-executive Directors.

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.