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**遠鼎投資股份有限公司**  
**Yuang Ding Investment Corporation**  
*(incorporated in Taiwan with limited liability)*

**遠東化聚工業股份有限公司\***  
**Far Eastern Polychem Industries Limited**  
*(incorporated in Bermuda with limited liability)*  
**(Stock Code: 8012)**

**JOINT ANNOUNCEMENT  
PROPOSED PRIVATISATION OF  
FAR EASTERN POLYCHEM INDUSTRIES LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 99 OF THE COMPANIES ACT)  
AT THE CANCELLATION PRICE OF HK\$2.20 PER SCHEME SHARE,  
SHARE REPURCHASE UNDER SHARE REPURCHASE CODE  
AND  
RESUMPTION OF TRADING**

**Financial adviser to Far Eastern Polychem Industries Limited**

**BNP PARIBAS PEREGRINE**

**Independent financial adviser to  
Far Eastern Polychem Industries Limited**

 **SOMERLEY LIMITED**

The respective directors of YDIC and FEPI jointly announce that on 22nd August, 2005, YDIC requested the board of directors of FEPI to put forward a Proposal to the Scheme Shareholders regarding a proposed privatisation of FEPI by way of the scheme under Section 99 of the Companies Act. The Proposal is considered to constitute a share repurchase for the purpose of the Share Repurchase Code.

YDIC, a 99.9% owned subsidiary of FETL and a member of the Far Eastern Group, has requested FEPI to propose that the Scheme Shares be cancelled in exchange for HK\$2.20 in cash for each Scheme Share. As at the date of this announcement, the Scheme Shareholders were interested in 101,878,240 Shares representing approximately 24.83% of the issued share capital of FEPI and members and an associated company of the Far Eastern Group, were interested in 308,417,760 Shares, representing approximately 75.17% of the issued share capital of FEPI. YDIC and parties acting in concert with it were interested in 333,150,800 Shares representing approximately 81.20% of the issued share capital of FEPI. The amount of cash required in order to effect the Proposal is approximately HK\$224.1 million. The consideration payable under the Scheme will be financed out of internal resources and by other borrowing of FEPI and FEPI will bear the cost of the Proposal. BNP Paribas Peregrine, the financial adviser to FEPI, is satisfied that sufficient resources are available to FEPI for the implementation of the Proposal. As at the date of this announcement, no options have been granted or agreed to be granted by FEPI and there were no other outstanding warrants or convertible securities of FEPI.

The Proposal will be implemented by way of the Scheme. Following the Effective Date, the listing of the Shares on GEM will be withdrawn and FEPI will continue to be a member of the Far Eastern Group, held as to approximately 77.38% by FETL and its 99.9% owned subsidiary, YDIC, and approximately 22.62% by Everest Textile (via its wholly-owned subsidiary, EIHL). The Proposal is conditional upon the fulfillment or waiver, as applicable, of the conditions as described in the section headed "Conditions of the Proposal" below. All conditions will have to be fulfilled or waived, as applicable, on or before 31st March, 2006 (or such later date as YDIC and FEPI may agree and the Court may allow), otherwise, the Scheme will lapse.

FEPI will send to Shareholders a document containing further details of the Proposal and the Scheme, the expected timetable, an explanatory statement as required under the Companies Act, information regarding YDIC and FEPI, property valuation report, the recommendations of the independent board committee of FEPI in respect of the Proposal, a letter of advice from the independent financial adviser, a notice of the Court Meeting and a notice of the SGM.

At the request of FEPI, trading in the Shares on GEM was suspended from 9:30 am on 23rd August, 2005, pending the issue of this announcement. An application has been made by FEPI to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:30 am on 31st August, 2005.

**Shareholders and/or potential investors in FEPI should be aware that the implementation of the Proposal is subject to the conditions as set out below being fulfilled or waived, as applicable, and thus may or may not become effective. They should therefore exercise caution when dealing in the Shares.**

## **INTRODUCTION**

On 22nd August, 2005, YDIC, a 99.9% owned subsidiary of FETL and a member of the Far Eastern Group, requested the board of directors of FEPI to put forward a Proposal to the Scheme Shareholders regarding a proposed privatisation of FEPI by way of the Scheme involving the cancellation of all the Scheme Shares, as a result of which FEPI will be held as to approximately 77.38% by FETL and its 99.9% owned subsidiary, YDIC, and approximately 22.62% by Everest Textile (via its wholly-owned subsidiary, EIHL).

## **TERMS OF THE PROPOSAL**

The Scheme will provide that the Scheme Shares be cancelled and, in consideration thereof, each Scheme Shareholder will be entitled to receive HK\$2.20 in cash for every Scheme Share held.

The Price represents:

- a premium of approximately 57.14% over the closing price of HK\$1.400 per Share as quoted on GEM on 22nd August, 2005 (being the last trading day prior to the suspension of trading in the Shares pending the issue of this announcement);
- a premium of approximately 56.70% over the average closing price of about HK\$1.404 per Share based on the daily closing prices as quoted on GEM over the 5 trading days up to and including 22nd August, 2005;
- a premium of approximately 57.71% over the average closing price of about HK\$1.395 per Share based on the daily closing prices as quoted on GEM over the 30 trading days up to and including 22nd August, 2005;
- a premium of approximately 52.04% over the average closing price of about HK\$1.447 per Share based on the daily closing prices as quoted on GEM over the 120 trading days up to and 22nd August, 2005;
- a discount of approximately 30.82% to the audited consolidated net asset value per Share of about HK\$3.18 as at 31st December, 2004; and
- a discount of approximately 22.26% to the unaudited consolidated net asset value per Share of about HK\$2.83 as at 30th June, 2005.

As at the date of this announcement, there were 410,296,000 Shares in issue and the Scheme Shareholders were interested in 101,878,240 Shares, representing approximately 24.83% of the issued share capital of FEPI. At the Price, which was arrived at after taking into account the factors set out in the section headed "Reasons for the Proposal", the Proposal values the entire issued share capital of FEPI at approximately HK\$902.6 million. The amount of cash required in order to effect the Proposal is approximately HK\$224.1 million. The consideration payable under the Scheme will be financed out of internal resources and by other borrowing of FEPI and FEPI will bear the cost of the Proposal. BNP Paribas Peregrine, the financial adviser to FEPI, is satisfied that sufficient financial resources are available to FEPI for the implementation of the Proposal.

## CONDITIONS OF THE PROPOSAL

The Proposal will become effective and binding on FEPI and all Shareholders subject to the fulfillment or waiver, as applicable, of the following conditions:

- (a) the approval of the Scheme by a majority in number representing not less than three-fourths in value of the Shares of the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting to be convened by the Court to consider the Scheme, provided that:
  - (1) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that are cast either in person or by proxy; and
  - (2) the number of votes cast against the resolution to approve (by way of poll) the Scheme is not more than 10% of the votes attaching to all the Scheme Shares held by the Independent Shareholders;
- (b) the passing of a special resolution to approve and give effect to the Scheme (including the reduction of the issued share capital of FEPI by the cancellation of the Scheme Shares) by a majority of at least three-fourths of the votes cast by the Shareholders present and voting, in person or by proxy, at the SGM;
- (c) the sanction of the Scheme (with or without modifications) by the Court and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Court for registration;
- (d) compliance, to the extent necessary, with the procedural requirements of Section 46(2) of the Companies Act in relation to the reduction of the issued share capital of FEPI;
- (e) all Authorisations (if any) in connection with the Proposal having been obtained or made from, with or by (as the case may be) the Relevant Authorities, in Bermuda and/or Hong Kong and/or the PRC and/or Taiwan and/or any other relevant jurisdictions;
- (f) all Authorisations (if any) remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective; and
- (g) all necessary consents which may be required under any existing contractual obligations of FEPI being obtained (if any).

YDIC reserves the right to waive condition (g), either in whole or in respect of any particular matter. In the event that conditions (e) and/or (f) is not fulfilled, YDIC reserves the right to assess the materiality of such non-fulfillment and to waive the fulfillment of such condition to the extent where it considers appropriate. Conditions (a) to (d) cannot be waived in any event.

All of the above conditions will have to be fulfilled or waived, as applicable, on or before 31st March, 2006 (or such later date as YDIC and FEPI may agree or as the Court may direct), failing which the Scheme will lapse.

**Shareholders and/or potential investors in FEPI should be aware that implementation of the Proposal is subject to the conditions set out above being fulfilled or waived, as applicable, and thus may or may not become effective. They should therefore exercise caution when dealing in the Shares.**

## **WITHDRAWAL OF LISTING OF SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled. Share certificates for the Shares held by the Scheme Shareholders will thereafter cease to have effect as documents of, or evidence of, title. FEPI will apply to the Stock Exchange for the withdrawal of the listing of the Shares on GEM immediately following the effective date of the Scheme. The Scheme Shareholders will be notified of the last trading day for dealing in FEPI Shares and the dates on which the Scheme and the withdrawal of the listing of the Shares on GEM will become effective. The Scheme will lapse if it does not become effective on or before 31st March, 2006 (or such later date as YDIC and FEPI may agree or as the Court may direct), and the Scheme Shareholders will be notified by way of a press announcement accordingly. A detailed timetable of the Proposal will be included in a document to be despatched to the Shareholders, which will also contain further details of the Proposal.

If the Scheme is not approved or it lapses, FEPI will not apply to the Stock Exchange for the withdrawal of the listing of Shares on GEM.

## **SHAREHOLDING STRUCTURE OF FEPI**

The table below sets out the shareholding structure of FEPI as at the date of this announcement and immediately upon completion of the Proposal:

<b>Shareholders</b>	<b>As at the date of this announcement</b>		<b>Upon completion of the Proposal</b>	
	<b>Number of Shares</b>	<b>%</b>	<b>Number of Shares</b>	<b>%</b>
YDIC ( <i>Note 3</i> )	191,870,160	46.76	191,870,160	62.21
FETL ( <i>Note 3 &amp; 4</i> )	46,797,600	11.41	46,797,600	15.17
EIHL ( <i>Note 1, 3 &amp; 4</i> )	<u>69,750,000</u>	<u>17.00</u>	<u>69,750,000</u>	<u>22.62</u>
<i>Non Scheme Shares</i>	<u>308,417,760</u>	<u>75.17</u>	<u>308,417,760</u>	<u>100.00</u>
GVL ( <i>Note 2 &amp; 3</i> )	24,733,040	6.03	0	0.00
Independent Shareholders	<u>77,145,200</u>	<u>18.80</u>	<u>0</u>	<u>0.00</u>
<i>Scheme Shares</i>	<u>101,878,240</u>	<u>24.83</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b><u>410,296,000</u></b>	<b><u>100.00</u></b>	<b><u>308,417,760</u></b>	<b><u>100.00</u></b>

*Notes:*

1. EIHL is a wholly-owned subsidiary of Everest Textile, which is in turn owned as to approximately 24.0% by YDIC and FETL and is listed on the Taiwan Stock Exchange. EIHL is a party acting in concert with FETL and YDIC under the Takeovers Code.
2. The entire issued share capital of GVL is owned by HSBC International Trustee Limited on the terms of a discretionary trust and is a party acting in concert with FETL and YDIC under the Takeovers Code.
3. YDIC and parties acting in concert with it were interested in 333,150,800 Shares representing approximately 81.20% of the issued share capital of FEPI.
4. FETL and EIHL have confirmed that the Shares held by them do not form part of the Scheme Shares and they have no objection to the implementation of the Scheme.

Following the Effective Date and the withdrawal of listing of the Shares on GEM, FEPI will continue to be a member of the Far Eastern Group, held as to approximately 77.38% by FETL and its 99.9% owned subsidiary, YDIC, and approximately 22.62% by Everest Textile (via its wholly-owned subsidiary, EIHL). As at the date of this announcement, no options have been granted or agreed to be granted by FEPI and there were no other outstanding warrants or convertible securities of FEPI.

## **REASONS FOR AND BENEFITS OF THE PROPOSAL**

The financial performance of the FEPI group has turned from a profit of HK\$27.7 million in 2004 to a loss of HK\$101.8 million for the six months ended 30th June, 2005.

As such, YDIC considers the Proposal to consolidate the Far Eastern Group's interest in FEPI with other PRC business interests of the Far Eastern Group with a view to enhancing the Far Eastern Group's operational efficiency in the PRC at a time when there is, in YDIC's view, an over-supplied domestic polyester products market in the PRC. The directors of FEPI appreciate that such a reorganisation exercise would be easier to facilitate were FEPI to be an unlisted, private company.

It is the intention of YDIC to continue FEPI's businesses. As YDIC has no intention to dispose of its controlling interest in FEPI, it is unlikely that the Scheme Shareholders will receive any other general offer to acquire Shares from a third party without the approval of YDIC. In addition, Shareholders should note that no discussions have taken place (or are taking place) with any third party regarding the disposal of any of the Shares held by YDIC.

Since the listing of the Shares on GEM in January 2000, trading in the Shares has been extremely thin. The average daily trading volume of the previous 12-months is about 79,000 shares, representing approximately 0.02% of the issued share capital of FEPI. Further, the Shares have for some time been traded at a substantial discount to the issue price of HK\$4.68 at the time of listing, with a trailing 12-month average traded price of HK\$1.46. Given the lack of trading activity in the Shares and the current outlook of the business, YDIC expects that investment interest in FEPI will remain low. Furthermore, YDIC is of the opinion that there is limited advantage to be gained by FEPI retaining its listed status on GEM in the foreseeable future for the purpose of raising new funds. Accordingly, YDIC considers that no tangible benefit will be derived from the continued listing of the Shares on GEM.

It is for the reasons stated above, that YDIC, a 99.9% owned subsidiary of FETL, requested the board of directors of FEPI to put forward the Proposal. In considering the terms of the Proposal, YDIC has taken into account the following principal factors:

- the outlook for the polyester industry in mainland China;
- the financial results of FEPI in the past;
- the prevailing market conditions;
- potential synergies which may be derived from consolidating FEPI's business with other Far Eastern Group businesses;
- the unaudited consolidated net asset value of FEPI as at 30th June, 2005; and
- the cost of maintaining the listing of the Shares on GEM.

The directors of FEPI concur with YDIC's view. In view of the prevailing market price and the low liquidity of the Shares, the directors of FEPI also believe that the Proposal provides an opportunity for all Scheme Shareholders to realise their investment in FEPI at a premium to the prevailing market price of the Shares. Under these circumstances, the directors of FEPI have decided to put forward the Proposal to the Scheme Shareholders for their consideration.

#### **INFORMATION ON FEPI**

FEPI is a company incorporated in Bermuda with limited liability, the shares of which have been listed on GEM since 31st January, 2000. The principal business activities of FEPI are the production and distribution of polyester products in mainland China, including bottle-grade PET chips, polyester filaments and finished fabrics.

A summary of the audited consolidated results of FEPI for each of the two years ended 31st December, 2003 and 2004 and the unaudited consolidated results of FEPI for the six months ended 30th June, 2005 is set out below:

	<b>For the year ended</b>		<b>6 months</b>
	<b>31st December,</b>		<b>ended</b>
	<b>2003</b>	<b>2004</b>	<b>30th June</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<b>2005</b>
			<i>HK\$'000</i>
Sales	2,080,494	2,602,033	1,416,818
Operating profit (loss)	20,384	54,565	(72,813)
Profit (loss) before taxation	28,111	33,090	(101,830)
Profit (loss) before minority interest	25,360	27,581	(101,830)
Profit (loss) attributable to shareholders	<u>25,388</u>	<u>27,660</u>	<u>(101,791)</u>

The unaudited consolidated net assets of FEPI as at 30th June, 2005 and the audited consolidated net assets of FEPI as at 31st December, 2004 were approximately HK\$1,163 million or approximately HK\$2.83 per Share and HK\$1,306 million or approximately HK\$3.18 per Share, respectively.

#### **INFORMATION ON FAR EASTERN GROUP AND YDIC**

Far Eastern Group is a conglomerate with its headquarters in Taipei, Taiwan which is engaged in petrochemicals, telecommunications, cement production, manufacturing, retailing, transportation, financial services, investment and real estate, principally in Taiwan. Members of the Far Eastern Group also conduct manufacturing and sales operations in the PRC, the Philippines, Singapore, Malaysia, Hong Kong, Thailand, and Canada, and export to more than 50 countries around the world. The Far Eastern Group is one of the largest and leading business groups in Taiwan, including eight stock exchange listed companies in Taiwan.

YDIC is a company incorporated in Taiwan and is a 99.9% owned subsidiary of FETL responsible for holding various business interests of the Far Eastern Group, including the single largest interest in FEPI. The company is principally engaged in investment holdings.

#### **SUSPENSION AND RESUMPTION OF TRADING**

At the request of FEPI, trading in the Shares on GEM was suspended from 9:30 am on 23rd August, 2005, pending the issue of this announcement. An application has been made by FEPI to the Stock Exchange for the resumption of trading in the Shares on GEM with effect from 9:30 am on 31st August, 2005.

#### **OVERSEAS SHAREHOLDERS OF FEPI**

The making of the Proposal to persons not resident in Hong Kong may be subject to the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders of FEPI wishing to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

#### **MEETINGS**

At the Court Meeting, the interests in the issued share capital of FEPI held by FETL, YDIC, EIHL and GVL will all be excluded for the purposes of both quorum and voting. In addition, as the Proposal is considered to constitute a share repurchase for the purposes of the Share Repurchase Code, the directors of FEPI and any persons acting in concert with them who hold Shares are not considered to be Independent Shareholders. Accordingly, they will also abstain from voting at the Court Meeting in accordance with the requirements of the Share Repurchase Code. As such, Shares held only by Independent Shareholders will be voted at the Court Meeting.



However, FETL, YDIC, EIHL and GVL have indicated that, if the Scheme is approved at the Court Meeting, they will each vote in favour of the special resolution to be proposed at the SGM to approve and give effect to the Scheme.

## **GENERAL**

BNP Paribas Peregrine has been appointed as the financial adviser to FEPI in connection with the Proposal.

An independent board committee of FEPI comprising Tak-Lung Tsim, Ying-Ho Wong and Shih-Hung Chan, independent non-executive directors of FEPI, has been established to advise the Independent Shareholders in connection with the Proposal. Somerley Limited has been appointed as independent financial adviser to advise the independent board committee of FEPI and the Independent Shareholders in connection with the Proposal. The independence of these directors and the independent financial adviser, for the purposes of assessing the Proposal, remains subject to the SFC's review of their status.

A Scheme document of FEPI containing, but not limited to, further details of the Proposal and the Scheme, the expected timetable, an explanatory statement as required under the Companies Act, information regarding YDIC and FEPI, property valuation report, the recommendations of the independent board committee of FEPI with respect to the Proposal, a letter of advice from the independent financial adviser, a notice of the Court Meeting and a notice of the SGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code.

*In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.*

“Announcement Date”	30th August, 2005, being the date of this announcement
“Authorisations”	all necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Proposal
“BNP Paribas Peregrine”	BNP Paribas Peregrine Capital Limited, a corporation licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance
“Companies Act”	the Companies Act 1981 of the Bermuda
“Court”	the Supreme Court of Bermuda
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Court at which the Scheme will be voted upon
“Effective Date”	the date the Scheme becomes effective in accordance with the Companies Act

“EIHL”	Everest Investment (Holding) Limited, a company incorporated in Bermuda and a wholly-owned subsidiary of Everest Textile
“Everest Textile”	Everest Textile Co., Ltd., a company incorporated in Taiwan, the shares of which are listed on the Taiwan Stock Exchange and owned as to approximately 23.74% by YDIC (the single largest shareholder of Everest Textile) and approximately 0.03% by FETL
“Far Eastern Group”	FETL and its subsidiaries from time to time
“FETL”	Far Eastern Textile Ltd., a company incorporated in Taiwan, the shares of which are listed on the Taiwan Stock Exchange
“FEPI”	Far Eastern Polychem Industries Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM
“GEM”	the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“GVL”	Glorious Victory Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is owned by HSBC International Trustee Limited on the terms of a discretionary trust and is a party acting in concert with FETL and YDIC under the Takeovers Code
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Shareholders”	Shareholders other than YDIC, EIHL, FETL, GVL and the directors of FEPI and any person acting in concert with any of them and exclude those with material interest in the Proposal which is different from the interests of all other shareholders
“PRC”	The People’s Republic of China
“Price”	a price of HK\$2.20 per Scheme Share payable to the Scheme Shareholders under the Scheme
“Proposal”	the proposal for the privatisation of FEPI by way of the Scheme
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions including the SFC and the Stock Exchange

“Scheme”	a scheme of arrangement between FEPI and the Scheme Shareholders under Section 99 of the Companies Act involving the cancellation of all the Scheme Shares
“Scheme Share(s)”	Share(s) held by the Scheme Shareholders
“Scheme Shareholder(s)”	Shareholder(s) other than YDIC, EIHL and FETL
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting of FEPI to be convened to be held immediately following the Court Meeting to consider the Scheme
“Share Repurchase Code”	The Hong Kong Code on Share Repurchases, including the provisions of the Takeovers Code as applied therein
“Share(s)”	share(s) of HK\$1.00 each in the share capital of FEPI
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“YDIC”	Yuang Ding Investment Corporation, also known as Yang Ding Investment Co., Ltd., a 99.9% owned subsidiary of FETL incorporated in Taiwan and a member of the Far Eastern Group

By Order of the board of  
**Yuang Ding Investment Corporation**  
**Jar-Yi Shih, Shaw-Y Wang**  
*Director*

By Order of the board of  
**Far Eastern Polychem Industries Limited**  
**Champion Lee, Chin-Sen Tu**  
*Director*

Hong Kong, 30th August, 2005

*As at the date of this announcement, the board of directors of FEPI comprises: (1) executive directors: Shu-Tong HSU, Jar-Yi SHIH, Champion LEE, Lih-Teh CHANG, and Chin-Sen TU; (2) non-executive director: Shaw-Y WANG; and (3) independent non-executive directors: Tak-Lung TSIM, Ying-Ho WONG and Shih-Hung CHAN.*

*This announcement, for which the directors of FEPI collectively and individually accept full responsibility, includes particulars given in compliance with the rules governing the listing of securities on GEM for the purpose of giving information with regard to FEPI. 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 that 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.*

*The directors of YDIC jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to FEPI and its subsidiaries) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*This announcement will remain on the GEM website located at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcement” page for at least 7 days from the day of its posting and on the website of FEPI at [www.fepi.com.hk](http://www.fepi.com.hk).*

*\* For identification purposes only*