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FONG'S INDUSTRIES COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

This announcement is made in relation to the increase in trading volume of the shares of the Company.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The Company has noted the increase in trading volume of the shares of the Company today and wishes to state that the Company has been informed by Mr. Fong Kwok Leung, Kevin and Mr. Fong Kwok Chung, Bill, directors of the Company today that the two discretionary trusts of which they and their family members are beneficiaries had decreased their stake in the Company by placing 40,000,000 shares of the Company (representing 7.1% of the issued share capital of the Company) at HK\$2.20 per share (representing a discount of 9.28% to the closing price of the shares on 10th January, 2003) to certain institutional investors on 10th January, 2003, thereby the beneficial interests of Mr. Fong Kwok Leung, Kevin, Mr. Fong Kwok Chung, Bill and their family members in the Company decreased from approximately 63.40% to approximately 56.30%. Save as disclosed above, the Board is not aware of any other reasons for such increase.

We also confirm that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any other matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of which individually and jointly accept responsibilities for the accuracy of this statement.

By Order of the Board
C.K. Lee
Company Secretary

Dated this 10th January, 2003

“Please also refer to the published version of this announcement in The Standard”.