



FONG'S INDUSTRIES COMPANY LIMITED

立信工業有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 641)

APPOINTMENT OF EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTOR

The board of directors (the "Board") of Fong's Industries Company Limited (the "Company" and together with its subsidiaries, the "Group") is pleased to announce that:

- (1) Mr. Tsui Wai Keung ("Mr. Tsui") has been appointed as an executive director of the Company with effect from September 1, 2004; and
- (2) Dr. Yuen Ming Fai ("Dr. Yuen") has been appointed as an independent non-executive director of the Company with effect from September 1, 2004. Dr. Yuen has also been appointed as an audit committee member of the Company on the same date.

Mr. Tsui, aged 47, joined the Group in 1980 and is currently responsible for the manufacturing functions of the Group. Mr. Tsui is also holding other executive posts and directorships in certain subsidiaries of the Group. Mr. Tsui has not entered into any service contract with the Company, nor is he appointed for a specific term, but will be subject to retirement and eligible for re-election at the annual general meetings of the Company in accordance with the Company's bye-laws. Mr. Tsui has not held any directorship in any listed companies in the last three years.

Dr. Yuen, aged 53, is currently the Director of Technology Transfer Center at the Hong Kong University of Science and Technology and a Professor in Mechanical Engineering. Dr. Yuen holds a doctorate degree in mechanical engineering from the University of Bristol, the United Kingdom and is a fellow member of both the Institution of Mechanical Engineers (UK) and Hong Kong Institution of Engineers. Dr. Yuen has extensive research experience in design and manufacturing. He is also an independent non-executive director of UDL Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company and Dr. Yuen have entered into a service contract on August 20, 2004 which provides that Dr. Yuen's length of service with the Company will be 2 years (subject to early termination by either party giving not less than one-month prior notice) from his date of appointment. Dr. Yuen will be subject to retirement and eligible for re-election at the annual general meetings of the Company in accordance with the Company's bye-laws. Dr. Yuen is entitled to an annual director's fee of HK\$50,000 per annum payable semi-annually on a pro rata basis, which is determined based on the estimated time to be spent by him on the Company's matters and is in line with the other independent non-executive directors of the Company.

Both Mr. Tsui and Dr. Yuen are not connected with any directors, senior management or substantial and controlling shareholders of the Company and, as at the date hereof, they do not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

The Board would like to welcome Mr. Tsui and Dr. Yuen for joining the Board.

As at the date of this announcement, the Board comprises Mr. Fong Sou Lam, Mr. Lee Che Chiu, Mr. Fong Kwok Leung, Kevin, Mr. Fong Kwok Chung, Bill, Mr. Mo Yiu Leung, Jerry, Mr. Cheuk Hon Kin, Kelvin, Dr. Tsui Tak Ming, William, Mr. Tsui Wai Keung and Ms. Poon Hang Sim, Blanche as executive directors and Mr. Cheung Chiu Fan, Mr. Lui Chi Lung, Louis and Dr. Yuen Ming Fai as independent non-executive directors.

For and on behalf of the Board
Fong Sou Lam
Chairman

Hong Kong, September 1, 2004

* *For identification only*

“Please also refer to the published version of this announcement in the South China Morning Post”