



12 January 2010

**High Concentration of Shareholding
in
Fong's Industries Company Limited (Stock Code: 0641)**

This announcement is made by the Securities and Futures Commission ("SFC") in respect of the concentration of the shareholding of Fong's Industries Company Limited ("the Company") in the hands of a limited number of shareholders as at 4 January 2010.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company ("Shares") could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that, as at 4 January 2010, 8 shareholders held an aggregate of 79,196,478 Shares, representing 14.36% of the issued Shares. Such shareholding, together with 435,177,101 Shares held by three substantial shareholders (namely, Mr. Fong Sou Lam, chairman of the Company, Mondrian Investment Partners Limited and Mr. Li Tin Sang Adam), and five executive directors of the Company (representing 78.92% of the issued Shares), represented 93.28% of the issued Shares as at 4 January 2010. Thus, only 6.72% of the issued Shares were held by other investors.

As at 4 January 2010, the shareholding structure of the Company is as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Substantial shareholders		
Mr. Fong Sou Lam (Note 1)	329,847,360	59.82
Mondrian Investment Partners Limited	47,384,000	8.59
Mr. Li Tin Sang Adam	27,746,000	5.03
Subtotal	404,977,360	73.44
Directors of the Company		
Boston Investments Limited (Note 2)	17,478,241	3.17
Mr. Fong Kwok Chung, Bill (Note 3)	7,432,000	1.35
Mr. Wan Wai Yung	3,225,500	0.59
Mr. Fong Kwok Leung, Kevin (Note 4)	1,650,000	0.30
Mr. Tou Kit Vai	294,000	0.05
Ms. Poon Hang Sim Blanche	120,000	0.02
Subtotal	30,199,741	5.48
Other shareholders		
A group of 8 shareholders	79,196,478	14.36
Other shareholders	37,072,706	6.72
Total	551,446,285	100.00



Note 1: Mr. Fong Sou Lam is the Chairman and an executive director of the Company. The 329,847,360 shares consist of (i) 287,397,360 shares held by GBOGH Assets Limited (“GBOGH”) and (ii) 42,450,000 shares held by Mr. Fong Sou Lam directly. GBOGH is a company incorporated in the British Virgin Islands (“BVI”), and is indirectly wholly-owned by the Fong’s Family Trust whose beneficiaries include Mr. Fong Sou Lam, Mr. Fong Kwok Chung, Bill and Mr. Fong Kwok Leung, Kevin.

Note 2: Boston Investments Limited is indirectly wholly-owned by a discretionary trust, whose beneficiaries include Mr. Fong Kwok Leung, Kevin, Mr. Fong Kwok Chung, Bill and other Fong’s family members

Note 3: Mr. Fong Kwok Chung, Bill is an executive director of the Company. The 7,432,000 shares consist of (i) 4,444,000 shares held by Precision Private Capital Management Company Limited (“Precision Private”) and (ii) 2,988,000 shares held by Mr. Fong Kwok Chung, Bill directly. Precision Private is a company incorporated in Hong Kong and whose entire issued share capital is solely owned by Mr. Fong Kwok Chung, Bill.

Note 4: Mr. Fong Kwok Leung, Kevin is an executive director of the Company. The 1,650,000 shares consist of (i) 100,000 shares held by his wife, Ms Chang Wan Yee and (ii) 1,550,000 shares held by Mr. Fong Kwok Leung, Kevin directly.

It is noted that the closing share price of the Company surged 93.84% from \$2.11 on 19 November 2009 to \$4.09 on 4 December 2009 with increased trading volume. During this period no announcement was published by the Company. As at 11 January 2010, share price of the Company closed at \$3.81, representing an increase of 80.57% from its closing price of \$2.11 on 19 November 2009.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

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