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FONG'S INDUSTRIES COMPANY LIMITED

立信工業有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 641)

ZERO COUPON CONVERTIBLE BONDS DUE 2011 ADJUSTMENT TO CONVERSION PRICE

Reference is made to the announcements of the Company dated 19th April, 25th May and 23rd October, 2006, and 28th May and 26th October, 2007. Terms used in this announcement shall have the meaning given to such terms in the Company's announcement dated 19th April, 2006.

The Company announces that the Conversion Price has been adjusted from HK\$7.62 per Share to HK\$7.34 per Share as a result of the approval for the payment of the final dividend and final special dividend of an aggregate amount of HK\$0.15 per Share in respect of the financial year ended 31st December, 2007, which adjustment became effective from 28th May, 2008.

Reference is made to the announcements of Fong's Industries Company Limited (the "Company") dated 19th April, 25th May and 23rd October, 2006, and 28th May and 26th October, 2007.

The Company announces that the Conversion Price has been adjusted from HK\$7.62 per Share to HK\$7.34 per Share pursuant to the terms and conditions of the Convertible Bonds as a result of the approval from the Shareholders for the payment of the final dividend and final special dividend of any aggregate amount of HK\$0.15 per Share in respect of the financial year ended 31st December, 2007 in cash at the annual general meeting of the Company held on 28th May, 2008. All the other terms of the Convertible Bonds remain unchanged. The Adjustment of the Conversion Price became effective from 28th May, 2008, being the record date for the determination of the aforesaid dividend entitlements.

The above adjustment in relation to the Conversion Price has been computed by the Company in accordance with the terms and conditions of the Convertible Bonds.

On behalf of the Board
Fong Sou Lam
Chairman

Hong Kong, 28th May 2008.

As at the date of this announcement, the board of directors of the Company comprises of eight executive directors, Mr. Fong Sou Lam (Chairman), Mr. Wan Wai Yung (Managing Director), Mr. Fong Kwok Leung, Kevin, Mr. Fong Kwok Chung, Bill, Mr. Tou Kit Vai, Mr. Tsui Wai Keung, Dr. Tsui Tak Ming, William and Ms. Poon Hang Sim, Blanche, and three independent non-executive directors, Mr. Cheung Chiu Fan, Dr. Yuen Ming Fai and Dr. Keung Wing Ching.

** For identification purpose only*