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FU CHEONG INTERNATIONAL HOLDINGS LIMITED

富昌國際控股有限公司*

(incorporated in the Cayman Islands with limited liability)

ANNOUNCEMENT

The Company requested for suspension in the trading of the Shares on 5 November 2002 pending a clarification announcement in respect of the Previous Announcement made by the Company.

On 4 November 2002, the Company made an announcement upon enquiries made by the Stock Exchange regarding movement in the price and trading volume of the Shares. Before the publication of this announcement, the Board of Directors had confirmed verbally with all Directors including Mr Ho Wing Cheong on the accuracy and completeness of the contents of the Previous Announcement. At the relevant time, Mr Ho Wing Cheong, the chairman and an executive Director, considered that although he was the registered holder of 22,630,000 Shares, he was only acting as the trustee, he believed that the disposal by him as trustee of such 22,630,000 Shares would not be a price sensitive event and hence he did not inform the Company of the disposal. On 5 November 2002, Mr Ho Wing Cheong re-considered the matter and decided that he should ascertain with the Board whether any further action would be required and accordingly, he informed the Company verbally that he had disposed of 22,630,000 Shares on the Stock Exchange as trustee for Mr Yuen Dung Kei, an independent third party not connected with the Company, the directors, chief executive and substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the Listing Rules) on 4 November 2002 (representing approximately 1.9% of the issued share capital of the Company) at an average price of HK\$0.051 per Share. Upon receipt of the information from Mr Ho Wing Cheong, the Company immediately informed the Stock Exchange of such disposal. Save as disclosed in the Previous Announcement and as aforesaid, the Board is not aware of any other reason for such price and trading volume movements and the Board confirms the accuracy of this announcement.

The Stock Exchange is concerned about the accuracy and completeness of the Previous Announcement made by the Company which each Director individually and jointly accept responsibility and is looking into the matter and reserves the right to take appropriate action.

At the request of the Company, trading in the Shares has been suspended with effect from 11:48 a.m. on 5 November 2002. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 7 November 2002.

Introduction

This announcement is made by Fu Cheong International Holdings Limited (the “**Company**”) to clarify the announcement dated 4 November 2002 (the “**Previous Announcement**”) in respect of the price and trading volume movements of the shares of HK\$0.01 each (the “**Shares**” and each a “**Share**”) of the Company made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Previous Announcement

On 4 November 2002, the Company noted increase in price and trading volume of the Shares. In ascertaining whether any Director had any dealing in the Shares and whether any of them was aware of any reason for the increase in price and trading volume of the Shares, the Company had sought and obtained verbal confirmations from each of them on the accuracy and completeness of the contents of the Previous Announcement before it was made. At the relevant time, Mr Ho Wing Cheong, the chairman and an executive director (the “**Director**”) of the Company considered that although he was the registered holder of 22,630,000 Shares, he was only acting as the trustee, he believed that the disposal by him as trustee of 22,630,000 Shares would not be a price sensitive event and hence he did not inform the Company of the disposal.

On 5 November 2002, Mr Ho Wing Cheong re-considered the matter and decided that he should ascertain with the Board whether any further action would be required and accordingly, he informed the Company verbally that he had disposed of 22,630,000 Shares on the Stock Exchange as trustee for Mr Yuen Dung Kei, an independent third party not connected with the Company, the directors, chief executive and substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)) on 4 November 2002 (representing approximately 1.9% of the issued share capital of the Company) at an average price of HK\$0.051 per Share. Mr Yuen Dung Kei is not required to notify and has not notified the Company of his interest in the Shares under the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong). Upon receipt of the information from Mr Ho Wing Cheong, the Company immediately informed the Stock Exchange of such disposal.

Save as disclosed in this announcement and the Previous Announcement, the board (the “**Board**”) of the Directors is not aware of any other reason for the price and volume movements on 4 November 2002 and the Board confirms the accuracy of this announcement.

In the view of the present incident, the Company has reminded all the Directors of the need to notify the Company all price sensitive events known to them immediately in the future and to comply with Appendix 10 of the Listing Rules. Appropriate announcement(s) will be made by the Company if the Company is in receipt of such information.

The Stock Exchange is concerned about the accuracy and completeness of the Previous Announcement made by the Company which each Director individually and jointly accept responsibility and is looking into the matter and reserves the right to take appropriate action.

Suspension and resumption of trading in the Shares

At the request of the Company, trading in the Shares has been suspended with effect from 11:48 a.m. on 5 November 2002. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 7 November 2002.

By order of the Board
Fu Cheong International Holdings Limited
Michael Young
Company Secretary

Hong Kong, 6 November 2002

* *For Identification purpose only*

“Please also refer to the published version of this announcement in China Daily”.