

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an intention or offer to acquire, purchase or subscribe for any securities of Fong's Industries Company Limited.



CHINA HENGtian GROUP CO., LTD.

*(Incorporated in the People's Republic of China
with limited liability)*



FONG'S INDUSTRIES COMPANY LIMITED

立信工業有限公司*

*(Incorporated in Bermuda with limited liability)
(Stock Code: 641)*

JOINT ANNOUNCEMENT

CLOSE OF THE UNCONDITIONAL MANDATORY CASH OFFER BY CITIGROUP GLOBAL MARKETS ASIA LIMITED ON BEHALF OF CHINA HENGtian GROUP CO., LTD. TO ACQUIRE ALL THE ISSUED SHARES IN THE SHARE CAPITAL OF FONG'S INDUSTRIES COMPANY LIMITED (OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY CHINA HENGtian GROUP CO., LTD. OR PARTIES ACTING IN CONCERT WITH IT (OTHER THAN MR. FONG SOU LAM))

Financial Adviser to China Hengtian Group Co., Ltd.

Financial Adviser to Mr. Fong Sou Lam



Close of the Offer and acceptance level

As at 4:00 p.m. on Friday, June 3, 2011, being the latest time and date for acceptance of the Offer as set out in the Composite Document, the Offeror had received valid acceptances in respect of a total of 128,808,820 Shares under the Offer, representing approximately 23.35% of the issued share capital of the Company and of the voting rights which may be exercised at general meetings of the Company as at the date of this announcement. The Offer has not been revised or extended.

Immediately prior to the commencement of the Offer Period, the Offeror and persons acting in concert with it (other than Mr. Fong) did not hold, control or direct any Shares or rights over Shares. Immediately following completion of the Acquisition, the Offeror and persons acting in concert with it (other than Mr. Fong) held, controlled or directed an aggregate of 207,895,250 Shares, representing approximately 37.7% of the issued share capital of the Company. Taking into account the valid acceptances in respect of 128,808,820 Shares under the Offer (subject to completion of the transfer of those Shares to Newish Trading Limited), the Offeror and persons acting in concert with it (other than Mr. Fong) held, controlled or directed an aggregate of 336,704,070 Shares while the Offeror and persons acting in concert with it (including Mr. Fong) held, controlled or directed an aggregate of 458,656,180 Shares immediately after the close of the Offer, representing approximately 61.05% and 83.17%, respectively, of the issued share capital of the Company as at the date of this announcement.

1. INTRODUCTION

References are made to the joint announcements made by China Hengtian Group Co., Ltd. (the “**Offeror**”) and Fong’s Industries Company Limited (the “**Company**”) dated January 14, 2011, February 14, 2011, May 6, 2011 and May 13, 2011 and the composite offer and response document jointly issued by the Offeror and the Company (the “**Composite Document**”). Capitalised terms not otherwise defined in this announcement shall have the same meaning as defined in the Composite Document.

2. CLOSE OF THE OFFER AND ACCEPTANCE LEVEL

The Offer closed on Friday, June 3, 2011.

As at 4:00 p.m. on Friday, June 3, 2011, being the latest time and date for acceptance of the Offer as set out in the Composite Document, the Offeror had received valid acceptances in respect of a total of 128,808,820 Shares under the Offer, representing approximately 23.35% of the issued share capital of the Company as at the date of this announcement. The Offer has not been revised or extended.

As of the date of this announcement, no acceptances under the Offer have been received from parties acting in concert with the Offeror.

Remittances in respect of the amount due to the accepting Shareholders whose acceptance of the Offer is valid, less the relevant seller’s ad valorem stamp duty payable in respect of the Shares tendered by them under the Offer for acceptance, have been or will be despatched to them by ordinary post at their own risk as soon as possible but in any event within 10 days from the date on which all relevant documents are received by the Registrar to render such acceptances complete and valid.

3. SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately prior to the commencement of the Offer Period on January 14, 2011, the Offeror and persons acting in concert with it (other than Mr. Fong) did not hold, control or direct any Shares or rights over Shares. Immediately following completion of the Acquisition, the Offeror and persons acting in concert with it (other than Mr. Fong) held, controlled or directed an aggregate of 207,895,250 Shares, representing approximately 37.7% of the issued share capital of the Company. Taking into account the valid acceptances in respect of 128,808,820 Shares under the Offer (subject to completion of the transfer of those Shares to Newish Trading Limited, a wholly and ultimately owned subsidiary of the Offeror), the Offeror and persons acting in concert with it (other than Mr. Fong) held, controlled or directed an aggregate of 336,704,070 Shares while the Offeror and persons acting in concert with it (including Mr. Fong) held, controlled or directed an aggregate of 458,656,180 Shares immediately after the close of the Offer, representing approximately 61.05% and 83.17%, respectively, of the issued share capital of the Company as at the date of this announcement.

Save for the Shares acquired pursuant to the Acquisition and valid acceptances in respect of 128,808,820 Shares under the Offer as referred to above, the Offeror and persons acting in concert with it have not acquired or agreed to acquire any Shares or rights over Shares during the Offer Period. Neither the Offeror nor any person acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement.

The table below sets out the shareholding structure of the Company immediately prior to the commencement of the Offer and upon the close of the Offer:

Shareholder	Immediately prior to the commencement of the Offer		Upon the close of the Offer	
	<i>Number of Shares</i>	<i>% of the Company's issued share capital</i>	<i>Number of Shares</i>	<i>% of the Company's issued share capital</i>
Offeror and the persons acting in concert with it (excluding Mr. Fong)	207,895,250	37.70%	336,704,070	61.05%
Mr. Fong	<u>121,952,110</u>	<u>22.12%</u>	<u>121,952,110</u>	<u>22.12%</u>
Sub-total	329,847,360	59.82%	458,656,180	83.17%
Other Shareholders ⁽¹⁾	30,499,741	5.53%	11,939,500 ⁽²⁾	2.17%
Public Shareholders	<u>191,099,184</u>	<u>34.65%</u>	<u>80,850,605</u>	<u>14.66%</u>
Total	<u>551,446,285</u>	<u>100.00%</u>	<u>551,446,285</u>	<u>100.00%</u>

Note:

- (1) These include the Directors, being Mr. Wan Wai Yung, Mr. Fong Kwok Leung, Kevin, Mr. Fong Kwok Chung, Bill, Mr. Tou Kit Vai and Ms. Poon Hang Sim, Blanche.
- (2) Mr. Tou Kit Vai, an Executive Director sold 488,000 Shares on the market. Mr. Fong Kwok Chung, Bill, and a discretionary trust of which he is a discretionary object had accepted the Offer in respect of a total of 18,072,241 Shares.

4. WAIVER OF PUBLIC FLOAT REQUIREMENT

Following completion of the transfer of the 128,808,820 Shares tendered for acceptance by the Shareholders in respect the Offer to the Offeror at the close of the Offer, 80,850,605 Shares will be held by the public, who are independent of the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates, representing approximately 14.66% of the issued share capital and voting rights of the Company, at the close of the Offer. Accordingly, following the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, will be held by the public and the Company will not fulfil the minimum public float requirement as set out under Rule 8.08(1)(a) of the Listing Rules.

As disclosed in the Composite Document, Mr. Fong has given the Irrevocable Undertaking to the Offeror, that in the event that the Shares held by the public following the close of the Offer is less than the minimum public float requirement under the Listing Rules, in order to satisfy the minimum public float requirement, he will, and will cause the registered holder(s), as soon as practicable following the close of the Offer, to dispose of such number of additional Shares beneficially owned by him representing half of such number of Shares required to be disposed of in order to satisfy the minimum public float requirement (“X Shares”) provided that the Offeror will then dispose of, or procure the disposal of, the same number of Shares owned by it and parties acting in concert with it (other than Mr. Fong) (that is, X Shares) for the restoration of the public float of the Company.

Accordingly, the Company has applied to the Stock Exchange for a temporary waiver from strict compliance with the public float requirement under Rule 8.08(1)(a) of the Listing Rules for a period of three months commencing Saturday, June 4, 2011.

By order of the board
China Hengtian Group Co., Ltd.
Zhang Jie
Chairman

By order of the Board
Fong's Industries Company Limited
C.K. Lee
Company Secretary

Hong Kong, June 3, 2011

As at the date of this announcement, the directors of the Offeror are Zhang Jie, Liu Haitao, Yang Yongyuan, Sun Lishi, Zhou Mingchen, Ren Chuanjun, Wang Zhenhou, Gao Shixing and Chen Tianli.

As at the date of this announcement, the Board comprises eleven Directors, of which eight are executive Directors, namely. Mr. Fong Sou Lam (Chairman), Mr. Wan Wai Yung (Chief Executive Officer), Mr. Fong Kwok Leung, Kevin, Mr. Fong Kwok Chung, Bill, Mr. Zhao Chuancong, Mr. Tou Kit Vai, Dr. Tsui Tak Ming, William and Ms Poon Hang Sim, Blanche, and three are independent non-executive Directors, namely, Mr. Cheung Chiu Fan, Dr. Yuen Ming Fai and Dr. Keung Wing Ching.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than any information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Directors relating to the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than any information relating to the Offeror and its subsidiaries) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Offeror relating to the Offeror and its subsidiaries) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

** For identification purpose only*