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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)

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Board announces the appointment of Access Capital Limited as the independent financial adviser to advise the Independent Board Committee of the Company in respect of the Offer pursuant to Rule 2.1 of the Takeovers Code.

Reference is made to the joint announcement dated 14 January 2011 (the “**Joint Announcement**”) jointly issued by China Hengtian Group Co., Ltd. and Fong’s Industries Company Limited (the “Company”) in relation to, among other things, a possible unconditional mandatory cash offer to acquire the issued shares in the capital of the Company. Unless otherwise defined, terms used herein shall have the same meanings as those used in the Joint Announcement.

The Offer remains conditional upon the completion of the Acquisition pursuant to the Sale and Purchase Agreement and as at the date of this announcement, the Acquisition has not completed. If the Sale and Purchase Agreement completes and the unconditional mandatory cash offer by Citigroup on behalf of the Offeror to acquire all the issued Shares in the capital of the Company (other than those Shares already owned or agreed to be acquired by the Offeror or parties acting in concert with it (other than Mr. Fong)) is proceeded with, the Company is required to appoint an independent financial adviser to advise the independent board committee of the Company (the “**Independent Board Committee**”) pursuant to Rule 2.1 of the Takeovers Code.

In anticipation of the work that needs to be undertaken in order to despatch certain documents within the prescribed regulatory periods, the Board has appointed Access Capital Limited as the independent financial adviser to advise the Independent Board Committee and such appointment has been approved by the Independent Board Committee.

WARNING: The Offer is a possibility only. Completion is conditional upon the fulfilment of the Condition and the Offer will only be made if Completion takes place. Accordingly, the Acquisition may or may not be completed and the Offer may or may not be made. Shareholders and potential investors in the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

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

Hong Kong, 6 April 2011

As at the date of this announcement, the Board comprises ten Directors, of which seven 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. 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 jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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*