

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.



FONG'S INDUSTRIES COMPANY LIMITED

立信工業有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 641)

PROPOSED CHANGE OF AUDITORS

The Board announces that an ordinary resolution will be proposed at the AGM to appoint Baker Tilly as the new auditor of the Company to fill the vacancy arising from the retirement of Deloitte as the Company's auditor at the AGM and to hold office until the conclusion of the next annual general meeting of the Company.

The board of directors (the "Board") of Fong's Industries Company Limited (the "Company" and together with its subsidiaries, the "Group") announces that Deloitte Touche Tohmatsu ("Deloitte"), the Company's auditor, will retire at the forthcoming annual general meeting of the Company (the "AGM") to be convened in due course and will not seek for re-appointment. For the purpose of maintaining good corporate governance, the Board also considers that the Company's auditor should be changed after an appropriate time. Since Deloitte has been the auditor of the Group since 1990, the Board considers that it is an appropriate time to change the Company's auditor for the year ending 31 December 2012. An ordinary resolution will be proposed to the Company's shareholders (the "Shareholders") at the AGM for appointing Baker Tilly Hong Kong Limited ("Baker Tilly") as the new auditor of the Company to fill the vacancy arising from the retirement of Deloitte and to hold office until the conclusion of the next annual general meeting of the Company.

Deloitte had completed the audit on the financial statements of the Company and of the Group for the year ended 31 December 2011 and have not yet commenced any audit work for the financial year ending 31 December 2012. Deloitte confirmed that there are no circumstances connected with their ceasing to hold office which they considered should be brought to the attention of the Shareholders and creditors of the Company.

Both the Board and the audit committee of the Company are not aware of any matters in relation to the retirement of Deloitte as the Company's auditor that should be brought to the attention of the Shareholders and creditors of the Company.

The Board would like to thank Deloitte for their past services provided to the Company.

A circular containing, among other matters, the information on the proposed change of auditors and a notice convening the AGM will be despatched to the Shareholders in due course.

On behalf of the Board
Fong's Industries Company Limited
He Fengxian
Chairman

Hong Kong, 29 March 2012

As at the date of this announcement, our Chairman and Executive Director is Ms. He Fengxian; our Honourable Chairman and Executive Director is Mr. Fong Sou Lam; our Vice-Chairman and Non-executive Director is Mr. Ye Maoxin; our other Executive Directors are Mr. Wan Wai Yung (Chief Executive Officer), Mr. Ji Xin, Mr. Fong Kwok Leung, Kevin, Mr. Zhao Chuancong, Mr. Tou Kit Vai, Dr. Tsui Tak Ming, William and Mr. Du Qianyi; and our Independent Non-executive Directors are Mr. Zhou Yucheng, Mr. Ying Wei, Dr. Yuen Ming Fai and Dr. Keung Wing Ching.

**For identification purpose only*