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FORNTON GROUP LIMITED

豐臨集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1152)

THIRD SUPPLEMENTAL PLACING AGREEMENT IN RELATION TO PLACING OF NEW SHARES AND CONVERTIBLE BONDS UNDER SPECIFIC MANDATE AND UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

THE THIRD SUPPLEMENTAL PLACING AGREEMENT

Reference is made to the circular dated 17 February 2014 (the “**Circular**”), the announcements dated 5 March 2014 and 13 March 2014 (the “**Announcements**”) made by Fornton Group Limited (the “**Company**”) in relation to, amongst other things, the Placing Agreement in respect of the Share Placing and CB Placing. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Circular and the Announcements.

On 14 April 2014 (after trading hours), the Company entered into a third supplemental placing agreement (the “**Third Supplemental Placing Agreement**”) with the Placing Agent to extend the expiry time of the Placing Period from 5:00 p.m. on 15 April 2014 to 5:00 p.m. on 22 April 2014.

Save as disclosed above, there is no material change to the terms of the Placing Agreement and all terms and conditions of the Placing Agreement remain unchanged and in full force and effect. The terms of the Third Supplemental Placing Agreement were arrived at after arm’s length negotiations between the Company and the Placing Agent, and the Directors believe that the terms of the Third Supplemental Placing Agreement are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole.

REASONS FOR ENTERING INTO THE THIRD SUPPLEMENTAL PLACING AGREEMENT

The amendments to the terms of the Placing Agreement were arrived at after arm's length negotiation between the Company and the Placing Agent. Having considered the current market sentiment and conditions, the Company and the Placing Agent further discussed on the possibility of the further extension of the Placing Period and agreed to extend the Placing Period. As the terms of the Third Supplemental Placing Agreement have no material impact on the fundamental terms of the Placing Agreement, and the new expiry time of Placing Period, being 5:00 p.m. on 22 April 2014, falls before the long stop date for satisfaction of the conditions of the completion of the Placing Agreement, which is the expiration of two months after the date of SGM (i.e. 5 March 2014), and the Long Stop Date of the Transfer Agreement, being 30 April 2014 or such later date as may be agreed between the parties to the Transfer Agreement, the Directors (including the independent non-executive Directors) are of the view that the Third Supplemental Placing Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole and would not have any material adverse impact on the Share Placing and CB Placing.

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

This following announcement is made at the request of The Stock Exchange of Hong Kong Limited.

We have noted the recent increases in the price and trading volume of the shares of the Company. Having made such enquiry with respect to the Company as is reasonable in the circumstances, we confirm that we are not aware of any reasons for these price and volume movements or of any information which must be announced to avoid a false market in the Company's securities or of any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance.

Shareholder's and potential investors' attention is also drawn to the matters set out in the Circular, Announcements and the Third Supplemental Placing Agreement as announced herein.

This announcement is made by the order of the Company. The Company's Board of Directors collectively and individually accepts responsibility for the accuracy of this announcement.

By order of the Board
Fornton Group Limited
Yam Tak Cheung
Chairman

Hong Kong, 14 April 2014

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Yam Tak Cheung (Chairman), Ms. Wong Kan Kan Kandy, Mr. Wong Tat Wai Derek, Mr. Zheng Qiang and Mr. Han Hanting, one non-executive Director, namely, Mr. Chan Yee, Herman and three independent non-executive Directors, namely, Mr. Wang Wei Hung Andrew, Mr. Cheng Dickson and Mr. Sin Ka Man.