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FORNTON GROUP LIMITED

豐臨集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1152)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the high concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 25 September 2012.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded. Shareholders and prospective investors are therefore advised to exercise extreme caution when dealing in the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in respect of the high concentration of the shareholding of Fornton Group Limited (the “Company”) in the hands of a limited number of shareholders of the Company (the “Shareholders”) as at 25 September 2012.

HIGH CONCENTRATION OF SHAREHOLDING

The Company notes that an announcement (the “SFC Announcement”) has been published by the Securities and Futures Commission (the “SFC”) on 9 October 2012. As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. Its findings suggested that as at 25 September 2012, 10 Shareholders held an aggregate of 96,992,000 ordinary shares of HK\$0.01 each in the share capital of the Company (the “Shares”), representing approximately 23.32% of the issued Shares. Such shareholding, together with 312,000,000 Shares (representing 75.00% of the issued Shares) held by 3 substantial shareholders of the Company (i.e. Integrated Asset Management (Asia) Limited (“IAM”), Ever Rosy Limited (“Ever Rosy”) and Premier Wise Limited (“Premier Wise”)), represented approximately 98.32% of the issued Shares as at 25 September 2012. Therefore, only 7,008,000 Shares (representing approximately 1.68% of the issued Shares) were held by other Shareholders.

As disclosed in the SFC Announcement, as at 25 September 2012, the shareholding structure of the Company was as follows:

| | Number of Shares held (Shares) | % of total number of issued Shares (%) |
|--|---|---|
| IAM (<i>Note 1</i>) | 104,000,000 | 25.00 |
| Ever Rosy (<i>Note 2</i>) | 104,000,000 | 25.00 |
| Premier Wise (<i>Note 3</i>) | 104,000,000 | 25.00 |
| A group of 10 Shareholders (<i>Note 4</i>) | 96,992,000 | 23.32 |
| Other Shareholders | <u>7,008,000</u> | <u>1.68</u> |
| | <u><u>416,000,000</u></u> | <u><u>100.00</u></u> |

Note 1: IAM is beneficially owned by Mr. Yam Tak Cheung. Mr. Yam is the Chairman and executive director of the Company.

Note 2: Ever Rosy is beneficially owned by Ms. Wong Kan Kan, Kandy. Ms. Wong is an executive director of the Company and the spouse of the Mr. Yam Tak Cheung.

Note 3: Premier Wise is beneficially owned by Mr. Wong Tak Wai, Derek. Mr. Wong is an executive director of the Company and the brother of the Ms. Wong Kan Kan, Kandy.

Note 4: Amongst the 96,992,000 Shares, 87,188,000 Shares (representing 20.96% of the issued Shares) were held by 5 shareholders who were the placees initially allotted a total of 68,000,000 Shares during the initial public offering of the Company.

The board (the “Board”) of directors of the Company (the “Directors”) wish to clarify that the above information is extracted from the SFC Announcement and the Company has not verified such information. Accordingly, the Board is not in a position to comment on its accuracy except the shareholding of the Shareholders, namely IAM, Ever Rosy and Premier Wise as set out in the table above and as at the date of this announcement. As of the date of this announcement, the Company has not been informed of the identity of the group of 10 Shareholders as mentioned in the SFC Announcement.

It is further disclosed in the SFC Announcement that the Company was listed on the Main Board of the Stock Exchange on 28 October 2011 by way of public offering of 10,400,000 Shares and placing of 93,600,000 Shares, representing 25.00% of the issued Shares, at HK\$0.50 per Share. Share price of the Company closed at HK\$0.53 on its first day of listing.

Thereafter, share price of the Company closed between HK\$0.40 and HK\$0.55. In late September 2012, Share price of the Company began to surge and rose 150% from HK\$0.50 on 21 September 2012 to HK\$1.25 on 25 September 2012. On 8 October 2012, the Shares closed at HK\$1.60, representing an increase of 220% from the close of HK\$0.50 on 21 September 2012.

PUBLIC FLOAT

Based on the information available and to the Directors' best knowledge after making all reasonable enquiries, the Company confirms that not less than 25% of the issued Shares are held in public hands as at 25 September 2012 and the date of this announcement and the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on the Stock Exchange.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded. Shareholders and prospective investors are therefore advised to exercise extreme caution when dealing in the Shares.

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

Hong Kong, 9 October 2012

As at the date of this announcement, the executive Directors are Mr. Yam Tak Cheung, Ms. Wong Kan Kan, Kandy and Mr. Wong Tat Wai, Derek; and the independent non-executive Directors are Mr. Wang Wei Hung, Andrew, Mr. Cheng Dickson and Mr. Sin Ka Man.