

*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 invitation or offer to acquire, purchase or subscribe for the securities of the Company.*

## **FORNTON GROUP LIMITED**

**豐臨集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1152)**

### **SUPPLEMENTAL PLACING AGREEMENT IN RELATION TO PLACING OF NEW SHARES AND CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

On 5 February 2014 (after trading hours), the Company entered into the Supplemental Placing Agreement with the Placing Agent to supplement and amend the terms of the Placing Agreement.

Reference is made to the announcement of Fornton Group Limited (the “**Company**”) dated 22 October 2013 (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

#### **THE SUPPLEMENTAL PLACING AGREEMENT**

On 5 February 2014 (after trading hours), the Company entered into a supplemental placing agreement (the “**Supplemental Placing Agreement**”) with the Placing Agent to supplement and amend the terms of the Convertible Bonds and the placing commission under the Placing Agreement. Pursuant to the Supplemental Placing Agreement, the terms of the Convertible Bonds and the placing commission shall be amended as follows:

- (i) the Convertible Bonds bear interest at a rate of 5% per annum;
- (ii) the Convertible Bonds are transferable except that the Convertible Bonds may not be transferred to any connected person of the Company or a party acting in concert (has the meaning ascribed to it under the Takeovers Code) with any person or Shareholder to the effect that any transfer of the Convertible Bonds to such transferee(s) and/or the exercise by such transferee(s) of any conversion right attaching to the Convertible Bond(s) subject to such transfer will trigger the mandatory offer obligation under Rule 26.1 of the Takeovers Code, unless such transfer has complied with the requirements of the Listing Rules;

- (iii) the holders of the Convertible Bonds shall have the right to convert the whole or any part (in integral multiples of HK\$1,000,000 thereof) of the outstanding principal amount of the Convertible Bonds into Subdivided Shares at any time on or before the Maturity Date provided that no holders of the Convertible Bonds shall exercise any conversion rights in the event that the issuance of the Conversion Shares pursuant to the exercise of any conversion right by the holders of the Convertible Bonds will result in (a) any mandatory offer obligation under Rule 26.1 of the Takeovers Code being triggered by the holders of the Convertible Bonds and/or the parties acting in concert with it (within the meaning of the Takeovers Code); (b) the Company in breach of any provision of the Listing Rules, including the requirement to maintain any prescribed minimum percentage of the issued share capital of the Company held by the public; and (c) the Conversion Shares being issued to a connected person or such conversion will otherwise be treated as a connected transaction under the Listing Rules except where such issuance of Conversion Shares has complied with the requirements of the Listing Rules; and
- (iv) the placing commission of the Placing Agent (i.e. (i) 2.5% of the amount equal to the Share Placing Price multiplied by the number of Placing Shares that the Placing Agent has successfully placed under the Share Placing; and (ii) 2.5% of the amount equal to the principal amount of the Convertible Bonds that the Placing Agent has successfully placed under the CB Placing) shall be revised to 5% for each of the Share Placing and the CB Placing.

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 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 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 Supplemental Placing Agreement**

The amendments to the terms of the Placing Agreement were arrived at after arm's length negotiations between the Company and the Placing Agent. Subsequent to the execution of the Placing Agreement, the Company and the Placing Agent, having considered the market conditions of recent placing of shares and convertible bonds in the market, have further discussed on the terms of the Placing Agreement to facilitate the Share Placing and the CB Placing. Having considered that (i) the revised terms of the Convertible Bonds, including an interest rate of 5% per annum, will enhance the attractiveness of the Convertible Bonds to the CB Placees and the interest rate of 5% per annum falls within the market range of the recent placing of convertible bonds in the market; and (ii) given the Share Placing and the CB Placing are on a best effort basis and the size of the Share Placing and the CB Placing, the revised placing commission of 5% will enhance the incentive of the Placing Agent to procure the Share Placees and the CB Placees, the Company is of the view that the Supplemental Placing Agreement would further facilitate the Share Placing and the CB Placing and thus, to maximize the funds to be raised under best effort basis for the future development of the Company, in particular

for the diversification into the finance leasing business. As such, the Directors consider the entering into of the Supplemental Placing Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 5 February 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.*