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## **FORNTON GROUP LIMITED**

### **豐臨集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1152)**

### **NOTICE OF SGM**

**NOTICE IS HEREBY GIVEN THAT** a special general meeting (the “**Meeting**”) of Fornton Group Limited (the “**Company**”) will be held at Unit A, 32nd Floor, Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong on Wednesday, 5 March 2014 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolutions as ordinary resolutions of the Company:

### **ORDINARY RESOLUTIONS**

1. “**THAT:**

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Subdivided Shares (as hereinafter defined), each of the issued and unissued shares of HK\$0.01 in the share capital of the Company be and is hereby subdivided into two shares of HK\$0.005 each (the “**Subdivided Shares**”) with effect from the business day immediately following the day on which this resolution is passed (the “**Share Subdivision**”) and the directors of the Company be authorised to issue new share certificates in respect of the Subdivided Shares to holders of existing shares of the Company pursuant to the Share Subdivision and to do all things and execute all documents in connection with or incidental to the Share Subdivision as the directors think fit or desirable;
- (b) the conditional placing agreement dated 22 October 2013 and supplemental placing agreement dated 5 February 2014 entered into between the Company as issuer and VC Brokerage Limited as placing agent in relation to (1) the placing of a maximum of 300,000,000 new Subdivided Shares (the “**Placing Shares**”) of HK\$0.005 each in the share capital of the Company, on a best effort basis, at a placing price of HK\$1.00 per Placing Share; and (2) the placing of the 3-year 5% per annum coupon rate unsecured non-redeemable convertible bonds in the aggregate principal amount of up to HK\$900,000,000 (the “**Convertible Bonds**”) at an initial conversion price of HK\$1.00 per conversion share (the “**Conversion Shares**”) (subject to adjustments) on a best effort basis, (the “**Placing Agreement**”) (a copy of which marked “**A**” has been produced to the meeting and signed by the chairman of the Meeting for the purpose of identification), and all transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

- (c) conditional upon, among others, the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval for the listing of, and permission to deal in, the Placing Shares and the Conversion Shares, the allotment and issue of the Placing Shares and the Conversion Shares, pursuant to and subject to the terms and conditions of the Placing Agreement, be and are hereby approved; and
- (d) any one director of the Company be and is hereby authorised to exercise all the powers of the Company and take all steps as might in his/her opinion be desirable, necessary or expedient in connection with the implementation of the transactions contemplated under the Placing Agreement as well as in relation to the allotment and issue of the Placing Shares and the Conversion Shares, including, without limitation, the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements (in case of execution of documents under seal, to do so in accordance with the bye-laws of the Company).”

2. “**THAT** subject to the passing of resolution (1) above:

- (a) the transfer agreement dated 20 November 2013 (the “**Transfer Agreement**”) (a copy of which marked “**B**” has been produced to the meeting and signed by the chairman of the Meeting for the purpose of identification) and entered into between Sino Top Capital Resources Limited (“**Sino Top**”) as transferee and Top Wealth Enterprises Limited (“**Top Wealth**”) as transferor in relation to the transfer of 8% equity interest in 山西焦煤機械電氣有限公司 (transliterated as Shanxi Coking Coal Machinery Electric Co., Ltd.\*) (“**JV Company**”) from Top Wealth to Sino Top in consideration of Sino Top conditionally agreed to contribute the capital injection amount of RMB147,233,440 (equivalent to approximately HK\$187,354,552) in cash to the JV Company, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) any one director of the Company be and is hereby authorised to exercise all the powers of the Company and take all steps as might in his/her opinion be desirable, necessary or expedient in connection with the implementation of the transactions contemplated under the Transfer Agreement, including, without limitation, the execution, amendment, supplement, delivery, submission and implementation of any further documents or agreements (in case of execution of documents under seal, to do so in accordance with the bye-laws of the Company).”

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

Hong Kong, 17 February 2014

*Notes:*

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the Meeting is enclosed. Whether or not a member is able to attend the Meeting in person, he/she/it is requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjourned meeting, should he/she/it so wish.
3. To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must be lodged at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding of the Meeting or any adjournment thereof. Completion and return of the proxy will not preclude any member from attending and voting in person at the Meeting or any adjournment thereof if he/she/it so desire and, in such event, the instrument appointing such a proxy shall be deemed to be revoked.
4. In the case of joint holders of shares, any one of such holders may vote at the Meeting, either personally or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holder are present at the Meeting personally or by proxy, the persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
5. Votes on the ordinary resolutions set out herein and are to be passed at the Meeting will be taken by way of poll.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 8:00 a.m. on the date of the special general meeting, the meeting will be postponed. The Company will post an announcement on the website of Company at [www.fornton.com](http://www.fornton.com) and on the HKExnews website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify Shareholders of the date, time and place of the rescheduled meeting.

*As at the date hereof, the board of directors of the Company 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.*