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## **FORNTON GROUP LIMITED**

**豐臨集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1152)**

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

<p>On 13 March 2014 (after trading hours), the Company entered into the Second Supplemental Placing Agreement with the Placing Agent to supplement and amend the terms of the Placing Agreement.</p>
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#### **THE SECOND SUPPLEMENTAL PLACING AGREEMENT**

Reference is made to the circular dated 17 February 2014 (the “**Circular**”) 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.

As set out in the announcement of the Company dated 5 March 2014, amongst other things, the Placing Agreement and the transactions contemplated thereunder have been approved by the Shareholders at the SGM held on 5 March 2014.

On 13 March 2014 (after trading hours), the Company entered into a second supplemental placing agreement (the “**Second Supplemental Placing Agreement**”) with the Placing Agent to extend the expiry time of the Placing Period from 5:00 p.m. on the 7th business day after the date of the SGM to 5:00 p.m. on 15 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 Second 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 Second 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 SECOND 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. Subsequent to the approval of the Placing Agreement by the Shareholders at the SGM, having considered the current market sentiment and conditions, the Company and the Placing Agent further discussed on the possibility of the extension of the Placing Period and agreed to extend the Placing Period. As the terms of the Second Supplemental Placing Agreement have no impact on the fundamental terms of the Placing Agreement, and the new expiry time of Placing Period, being 5:00 p.m. on 15 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, and the Long Stop Date of the Transfer Agreement, the Directors (including the independent non-executive Directors) are of the view that the Second 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.

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

Hong Kong, 13 March 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.*