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FORNTON GROUP LIMITED

豐臨集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1152)

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

On 22 April 2014 (after trading hours), the Company entered into the Fourth Supplemental Placing Agreement with the Placing Agent to supplement and amend the terms of the Placing Agreement.

THE FOURTH SUPPLEMENTAL PLACING AGREEMENT

Reference is made to the circular dated 17 February 2014 (the “**Circular**”), the announcements dated 5 March 2014, 13 March 2014 and 14 April 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 22 April 2014 (after trading hours), the Company entered into a fourth supplemental placing agreement (the “**Fourth Supplemental Placing Agreement**”) with the Placing Agent to (i) extend the expiry time of the Placing Period from 5:00 p.m. on 22 April 2014 to 5:00 p.m. on 28 April 2014; and (ii) revise the placing commission of the Placing Agent (i.e. (a) 5.0% 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 (b) 5.0% of the amount equal to the principal amount of the Convertible Bonds that the Placing Agent has successfully placed under the CB Placing) to 1.5% 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 Fourth 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 Fourth 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 FOURTH 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 the revision of the placing commission. The parties agreed to extend the Placing Period and revise the placing commission. As the revised placing commission of 1.5% is more favourable to the Company as compared to the original placing commission of 5.0%, the terms of the Fourth 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 28 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 Fourth 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, 22 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.