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FORNTON GROUP LIMITED

豐臨集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1152)

- (1) RESIGNATION OF EXECUTIVE DIRECTORS, CHAIRMAN
OF THE BOARD AND MANAGING DIRECTOR;**
**(2) APPOINTMENT OF EXECUTIVE DIRECTORS, CHAIRMAN
OF THE BOARD AND CHIEF EXECUTIVE OFFICER;**
AND
(3) CHANGE OF AUTHORIZED REPRESENTATIVES

The Board of the Company announces the following changes:

- (1) Mr. Yam has resigned from his office as an executive Director and the chairman of the Board;
- (2) Ms. Wong has resigned from her office as an executive Director, the managing Director and a member of the remuneration committee of the Company;
- (3) Mr. Wong has resigned from his office as an executive Director;
- (4) Mr. Yu Chuanfu has been appointed as an executive Director and a member of the remuneration committee of the Company;
- (5) Mr. Yu Xueming has been appointed as an executive Director;
- (6) Mr. Sit Yau Chiu has been appointed as an executive Director;
- (7) Mr. Yu Xueming has been appointed as chairman of the Board;
- (8) Mr. Yu Chuanfu has been appointed as chief executive officer of the Company; and
- (9) Ms. Wong has ceased to be an authorized representative of the Company; Mr. Wong has ceased to be the alternate authorized representative of the Company; and Mr. Han Hanting has been appointed as an authorized representative of the Company.

RESIGNATION OF EXECUTIVE DIRECTORS, CHAIRMAN OF THE BOARD AND MANAGING DIRECTOR

The board (the “**Board**”) of directors (the “**Directors**”) of Fornton Group Limited (the “**Company**”) hereby announces that with effect from 4 June 2014:

- (1) Mr. Yam Tak Cheung (“**Mr. Yam**”) has resigned from his office as executive Director and the chairman of the Board;
- (2) Ms. Wong Kan Kan Kandy (“**Ms. Wong**”) has resigned from her office as an executive Director, the managing Director and a member of the remuneration committee of the Company; and
- (3) Mr. Wong Tat Wai Derek (“**Mr. Wong**”) has resigned from his office as an executive Director.

Each of Mr. Yam, Ms. Wong and Mr. Wong tendered his/her resignation due to his/her wish to allocate more time to his/her own personal endeavours and has confirmed that (i) he/she has no disagreement with the Board; and (ii) there is no matter that needs to be brought to the attention of the shareholders of the Company in connection with his/her resignation.

The Board would like to express its sincere gratitude to Mr. Yam, Ms. Wong and Mr. Wong for their valuable contributions to the Company during their respective tenure of office as an executive Director, managing Director or the chairman of the Board.

APPOINTMENT OF EXECUTIVE DIRECTORS

Reference is made to the announcement of the Company dated 4 June 2014 in relation to the poll results of the annual general meeting (“**AGM**”) of the Company held on 4 June 2014, during which the ordinary resolutions in relation to the appointment of Mr. Yu Chuanfu (余傳福), Mr. Yu Xueming (余學明) and Mr. Sit Yau Chiu (薛由釗) as executive Directors with effect following the conclusion of the AGM were duly passed. With effect from 4 June 2014, Mr. Yu Chuanfu, Mr. Yu Xueming and Mr. Sit Yau Chiu have been appointed as executive Directors.

The biographical details of each of Mr. Yu Chuanfu, Mr. Yu Xueming and Mr. Sit Yau Chiu are set out below:

Mr. Yu Chuanfu (余傳福), aged 42, has been appointed as a director of each of Prokit Limited and Sino Top Capital Resources Limited, both wholly-owned subsidiaries of the Company, since 9 May 2014. Mr. Yu has over 20 years of experience in different industries such as coal mining, logistic and investment industries. He served as the deputy general manager of Guangzhou Longtian Logistic Co. Ltd.* (廣州龍田物流有限公司) from 2002 to 2008, and the general manager of Lan County Gaogupo Coal Mining Co. Ltd.* (嵐縣高家坡煤礦有限公司) from 2008 to 2011. He has been the general manager of Lan County Jinqiao Investment Co. Ltd.* (嵐縣金橋投資有限公司) since 2010.

The Company will enter into a service agreement with Mr. Yu for a term of two years commencing from the day of the conclusion of the AGM at which he was appointed, subject to retirement and re-election in accordance with the bye-laws of the Company (the “**Bye-laws**”). Mr. Yu is entitled to a remuneration of HK\$756,000 per annum and a discretionary bonus. The remuneration was determined on the basis of his experience, level of responsibilities within the Company, the market situation and the Company’s remuneration policy.

Mr. Yu Chuanfu has also been appointed as a member of the remuneration committee with effect from 4 June 2014. With effect from 4 June 2014, the remuneration committee will comprise Mr. Cheng Dickson, Mr. Sin Ka Man, Mr. Wang Wei Hung Andrew and Mr. Yu Chuanfu.

Mr. Yu Xueming (余學明), aged 40, possesses the title of senior engineer in China and has about 20 years of experience in construction, real estate development, coal mining and investment industries. He served as the manager of Shanxi branch of Fujian Gaohua Construction Engineering Co., Ltd.* (福建省高華建設工程有限公司山西分公司) from 1995 to 2008, the chairman of Jiexiu City Wangyuan Coal Industry Co. Ltd.* (介休市旺源煤業有限公司) from 2008 to 2012, and has been the chairman of Shanxi Xierun Investment Co. Ltd.* (山西協潤投資有限公司) and Xiaoyi City Tiankai Real Estate Development Co. Ltd.* (孝義市天凱房地產開發有限公司) since 2008. Mr. Yu obtained a bachelor degree from Huaqiao University in China, majoring in Civil Engineering, in July 1997.

The Company will enter into a service agreement with Mr. Yu for a term of two years commencing from the day of the conclusion of the AGM at which he was appointed, subject to retirement and re-election in accordance with the Bye-laws. Mr. Yu is entitled to a remuneration of HK\$780,000 per annum and a discretionary bonus. The remuneration was determined on the basis of his experience, level of responsibilities within the Company, the market situation and the Company’s remuneration policy.

Mr. Sit Yau Chiu (“Mr. Sit”), aged 49, has over 30 years of investment and business development experience in different industries such as trading and sales of internationally renowned brands (including the business of duty free shops), catering, information, real estate and chemical engineering industries. He devoted to expand the markets of international famous brands such as Japanese cosmetic and watches in the 80s. With the expansion of business into the areas of international famous brands covering handbags, leather products and jewellery, he established Top Pride International Limited in Hong Kong in 1997, Top Win International Trading Limited in 2001, Ho Hon Brothers Holdings Limited in 2005, Beijing Ho Hon Brothers Holdings Limited* (北京浩瀚兄弟集團有限公司) and Top One International Holdings Limited subsequently. Currently, he is the chairman and president of the group with business footprints in Beijing, Shanghai, Nanjing, Guangzhou, Suzhou, Qingdao, Hangzhou and Fuzhou in China.

The Company will enter into a service agreement with Mr. Sit for a term of two years commencing from the day of the conclusion of the AGM at which he was appointed, subject to retirement and re-election in accordance with the Bye-laws. Mr. Sit is entitled to a remuneration of HK\$600,000 per annum and a discretionary bonus. The remuneration was determined on the basis of his experience, level of responsibilities within the Company, the market situation and the Company's remuneration policy.

Mr. Sit holds the entire issued share capital of Top One International Holdings Limited, which holds the entire issued share capital in Top Star Group Holdings Limited ("**Top Star**").

As at the date of this announcement, Top Star holds 208,000,000 ordinary shares of the Company, representing approximately 21.85% of the issued share capital of the Company.

Accordingly, Mr. Sit is deemed under Part XV of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong (the "**SFO**") to be interested in 208,000,000 ordinary shares of the Company, representing approximately 21.85% of the issued share capital of the Company.

Save as disclosed above, as at the date of this announcement, Mr. Yu Chuanfu, Mr. Yu Xueming and Mr. Sit (i) do not and have not held any other directorships in other public companies which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) do not hold any position with the Company or any of its subsidiaries; (iii) do not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company; and (iv) do not have any interest in the shares, underlying shares or debentures of the Company or its associated corporations within the meaning of Part XV of the SFO.

Saved as disclosed above, there is no other information relating to Mr. Yu Chuanfu, Mr. Yu Xueming and Mr. Sit which should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). There is no other matter concerning the appointment of Mr. Yu Chuanfu, Mr. Yu Xueming and Mr. Sit which needs to be brought to the attention of the shareholders of the Company.

APPOINTMENT OF CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER

As Mr. Yam resigned as the chairman of the Board with effect from 4 June 2014, the Board is pleased to announce that Mr. Yu Xueming, being executive Director, has been appointed as the chairman of the Board.

The Board also announces that Mr. Yu Chuanfu, being executive Director, has been appointed as the chief executive officer of the Company with effect from 4 June 2014.

CHANGE OF AUTHORISED REPRESENTATIVES

The Board also announces that with effect from 4 June 2014:

- (1) Following the resignation of Ms. Wong, Ms. Wong has ceased to act as an authorized representative of the Company under Rule 3.05 of the Listing Rules;
- (2) Following the resignation of Mr. Wong, Mr. Wong has ceased to be the alternate authorized representative of the Company; and
- (3) Mr. Han Hanting, an executive Director, has been appointed as an authorized representative of the Company for the purpose of the Listing Rules.

By order of the Board
Fornton Group Limited
Yu Xueming
Chairman

Hong Kong, 4 June 2014

As at the date of this announcement, the Board comprises five executive Directors, namely, Mr. Yu Xueming (Chairman), Mr. Yu Chuanfu (Chief Executive Officer), Mr. Sit Yau Chiu, 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.

* *For identification purpose only*