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FORNTON GROUP LIMITED

豐臨集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1152)

UPDATES RELATING TO LETTERS OF INTENT IN RELATION TO FINANCE LEASE BUSINESS IN THE PRC

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Reference is made to the announcement of Fornton Group Limited (the “**Company**”) dated 30 December 2013, 13 January 2014, 31 March 2014 and 15 April 2014 (collectively, the “**Announcements**”) regarding various letters of intent entered into by Sino Top, an indirect wholly-owned subsidiary of the Company. Unless otherwise provided, capitalized terms used in this announcement shall have the same meaning as defined in the Announcements.

The Board would like to provide the following updates:

1. The Letters of Intent entered into by Sino Top with Shanxi Jinda and Shanxi Zhengbang in respect of the proposed finance leasing of the Shanxi Jinda Equipment and Shanxi Zhengbang Equipment have expired and the Company has decided not to proceed with it;
2. After negotiations, the parties agreed to extend the expiry date of the two Letters of Intent entered into by Sino Top with each of Jinhui Kaichuan and Shanxi Fuxin in respect of the proposed finance leasing of the Jinhui Kaichuan Equipment and Shanxi Fuxin Equipment, respectively. Accordingly, after trading hours on 31 July 2014, Sino Top entered into side letters with each of Jinhui Kaichuan and Shanxi Fuxin pursuant to which the parties agreed to extend the expiry date of both Letters of Intent to 31 December 2014. Save for aforementioned, all other terms and conditions of the Letters of Intent as disclosed in the Announcements shall remain unchanged.
3. After negotiation, the parties agreed to extend the expiry date of the Letter of Intent entered into between Sino Top and VLI Taiyuan in relation to the proposed cooperation between the parties in the development of the finance leasing business in the PRC. Accordingly, after trading hours on 31 July 2014, Sino Top entered into a side letter with VLI Taiyuan pursuant to which the parties agreed to extend the expiry date of the Letter of Intent to 31 December 2014. Save for aforementioned, all other terms and conditions of the Letter of Intent as disclosed in the Announcement shall remain unchanged.

Shareholders of the Company and/or investors should note that the Proposed Transactions may or may not materialize, as no formal agreement has been executed between and among the parties. Accordingly, shareholders of the Company and/or investors are advised to exercise caution when dealing in the shares of the Company. Further announcement will be made by the Company in relation to the Proposed Transactions as and when appropriate in accordance with the Listing Rules should any formal agreements be entered into by the parties and/or should there be any material developments to the Proposed Transactions.

By order of the Board
Fornton Group Limited
Yu Xueming
Chairman

Hong Kong, 31 July 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.