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FORNTON GROUP LIMITED

豐臨集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1152)

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIRMAN OF REMUNERATION COMMITTEE, MEMBER OF NOMINATION COMMITTEE AND MEMBER OF AUDIT COMMITTEE AND NON-COMPLIANCE WITH RULES 3.10, 3.10A, 3.21 AND 3.25

The Board announces that Mr. Cheng Dickson has resigned as an independent non-executive Director, the chairman of the remuneration committee, a member of the nomination committee and a member of the audit committee of the Company with effect from 1 October 2014.

The board (the “**Board**”) of directors (the “**Directors**”) of Fornton Group Limited (the “**Company**”) announces that Mr. Cheng Dickson (“**Mr. Cheng**”) has tendered his resignation as an independent non-executive Director, the chairman of the remuneration committee, a member of the nomination committee and a member of the audit committee of the Company with effect from 1 October 2014 as he wishes to devote more time to his personal affairs.

Mr. Cheng confirmed to the Company that he has no disagreement with the Board and he is not aware of any matters in relation to his resignation that needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its utmost gratitude to Mr. Cheng for his invaluable contributions to the Company during his tenure of services.

Pursuant to Rule 3.10 and Rule 3.10A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), every board of directors of a listed issuer must include at least three independent non-executive directors and the independent non-executive directors of a listed issuer must represent at least one-third of the board of directors. The remuneration committee of a listed issuer must be chaired by an independent non-executive director under Rule 3.25 of the Listing Rules. The audit committee of a listed issuer must comprise a minimum of three members under Rule 3.21 of the Listing Rules. Upon the resignation of Mr. Cheng as an independent non-executive Director, the Board comprises eight members with five executive Directors, one non-executive Director and two independent non-executive Directors. As a result, the number of independent non-executive Directors of the Board will be reduced to two which is below the minimum

number prescribed under Rule 3.10 of the Listing Rules and the number of independent non-executive Directors will fall below one-third of the Board as required under Rule 3.10A of the Listing Rules. The chairman of the remuneration committee of the Company will fall vacant under Rule 3.25 of the Listing Rules. The number of members of the audit committee of the Company will be reduced to two which is below the minimum number prescribed under Rule 3.21 of the Listing Rules.

In order to comply with Rule 3.10, Rule 3.10A, Rule 3.21 and Rule 3.25 of the Listing Rules, the Company is endeavoring to identify a suitable candidate to fill up the abovementioned vacancies as soon as practicable and in any event within three months from 1 October 2014, and will make further announcement(s) as and when appropriate.

By order of the Board
Fornton Group Limited
Yu Xueming
Chairman

Hong Kong, 30 September 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.