

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Fornton Group Limited** (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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) PROPOSED GENERAL MANDATES TO
ISSUE AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

Unless the context requires otherwise, capitalized terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” of this circular.

The notice convening the AGM to be held at Unit A, 32nd Floor, Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon on 30 May 2012 at 10:00 a.m. is set out on pages 11 to 14 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the accompanying form of proxy will not preclude you from attending and voting in person at the AGM or at any adjournment thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

27 April 2012

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
Proposed General mandates	3
Re-election of retiring directors	4
Notice of AGM	4
Voting by poll at AGM	5
Responsibility statement	5
Recommendation	5
Appendix I — Explanatory statement	6
Appendix II — Details of directors proposed to be re-elected	9
Notice of the AGM	11

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held and convened at Unit A, 32nd Floor, Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon on Wednesday, 30 May 2012, at 10:00 a.m., notice of which is set out on pages 11 to 14 of this circular
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Company”	Fornton Group Limited, a company incorporated in Bermuda with liability and the Shares of which are listed on the main board of the Stock Exchange (stock code: 1152)
“connected person(s)”	has the same meaning as defined in the Listing Rules
“Director(s)”	the directors of the Company
“Ever Rosy”	Ever Rosy Limited, a company incorporated in the British Virgin Islands with limited liability and wholly and beneficially owned by Ms. Wong Kan Kan, Kandy, Executive Director and controlling Shareholder of the Company
“Fornton Holdings”	Fornton Holdings Company Limited, a company incorporated in Hong Kong in 1993 and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IAM”	Integrated Asset Management (Asia) Limited, a company incorporated in the British Virgin Islands with limited liability and wholly and beneficially owned by Mr. Yam Tak Cheung, Executive Director and controlling Shareholder of the Company
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue and deal with additional Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution

DEFINITIONS

“Latest Practicable Date”	23 April 2012, being the latest practicable date prior to printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nice Regent”	Nice Regent Industries Limited, a company incorporated in Hong Kong in 1995 and an indirect wholly-owned subsidiary of the Company
“Notice of AGM”	the notice to convene the AGM dated 27 April 2012 set out on pages 11 to 14 of this circular
“PRC”	the People’s Republic of China
“Premier Wise”	Premier Wise Limited, a company incorporated in the British Virgin Islands with limited liability and wholly and beneficially owned by Mr. Wong Tat Wai, Derek, Executive Director and controlling Shareholder of the Company
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares of up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD

FORNTON GROUP LIMITED

豐臨集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1152)

Executive Directors:

Mr. Yam Tak Cheung (*Chairman*)
Ms. Wong Kan Kan, Kandy (*Managing Director*)
Mr. Wong Tat Wai, Derek

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-Executive Directors:

Mr. Wang Wei Hung, Andrew
Mr. Cheng Dickson
Mr. Sin Ka Man

Headquarter and Principal Place of

Business in Hong Kong
Unit A, 32nd Floor
Legend Tower
7 Shing Yip Street
Kwun Tong
Kowloon

27 April 2012

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED GENERAL MANDATES TO
ISSUE AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is (i) to provide you with details of the proposed Issue Mandate and the Repurchase Mandate and (ii) the proposed re-election of the retiring Directors; and (iii) to give you Notice of AGM.

PROPOSED GENERAL MANDATES

The Directors wish to propose ordinary resolutions at the AGM to give to the Directors new general mandates:

- (i) to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the Issue Mandate; and

LETTER FROM THE BOARD

- (ii) to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the Repurchase Mandate; and
- (iii) to extend the Issue Mandate by adding aggregate nominal amount of Shares repurchased by the Company pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 416,000,000 Shares. Subject to the passing of the necessary resolutions and on the basis that no further Shares are issued or purchased following the Latest Practicable Date and prior to the date of the AGM, the Company would be allowed (i) to allot and issue up to maximum of 83,200,000 new Shares, which represent 20% of the issued share capital of the Company at the Latest Practicable Date, under the Issue Mandate and (ii) to repurchase a maximum of 41,600,000 Shares, which represent 10% of the issued share capital of the Company at the Latest Practicable Date, under the Repurchase Mandate.

If the resolution for the Issue Mandate and Repurchase Mandate is passed at the AGM, the Issue Mandate and Repurchase Mandate would continue in force until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held; or (iii) the revocation or variation of the authority given by ordinary resolution of the Shareholders in general meeting, unless renewed at the annual general meeting of the Company.

An explanatory statement containing information regarding the Repurchase Mandate is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

Ms. Wong Kan Kan, Kandy and Mr. Wong Tat Wai, Derek shall retire from their offices as Director at the AGM pursuant to the bye-laws 84 of the Bye-laws and, being eligible, will offer themselves for re-election. Biographical details and other information of the Directors to be re-elected are set out in the Appendix II to this circular.

NOTICE OF AGM

A notice convening the AGM to be convened and held at Unit A, 32nd Floor, Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon on Wednesday, 30 May 2012 at 10:00 a.m. is set out on pages 11 to 14 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

Pursuant to the Listing Rules, the resolutions proposed to be approved at the AGM will be taken by poll and an announcement will be made by the Company after the AGM on the results of the AGM.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Union Registrars Limited at 18/F., Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or

LETTER FROM THE BOARD

any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof, should you so wish and in such event, the form of proxy shall be deemed to be revoked.

VOTING BY POLL AT AGM

Pursuant to Rule 13.39(4) of the Listing Rules and bye-law 66 of the Bye-laws, any vote of the Shareholders at a general meeting must be taken by way of a poll and therefore, the resolutions to be put to vote at the AGM will be taken by way of a poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

RECOMMENDATION

The Directors are of the opinion that the proposals for the grant of the Issue Mandate and the Repurchase Mandate and the re-election of the retiring Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions as set out in the Notice of AGM.

Your attention is also drawn to the additional information set out in the appendices to this circular. In the event of inconsistency, the English texts of this circular shall prevail over the Chinese texts.

On behalf of the Board
Fornton Group Limited
Yam Tak Cheung
Chairman

This appendix includes an explanatory statement required by the Stock Exchange to be presented to Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors.

1. LISTING RULES FOR PURCHASES OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to purchase their shares on the Stock Exchange in accordance with Rule 10.06 of the Listing Rules. The Listing Rules provide that all proposed purchases of shares by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be purchased must be fully paid up.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 416,000,000 Shares. Subject to the passing of the relevant ordinary resolutions to approve the Repurchase Mandate at the AGM and on the basis that no further Shares are issued and purchased between the Latest Practicable Date and the AGM, the Company will be allowed under the Repurchase Mandate to purchase a maximum of 41,600,000 Shares, representing 10% of the issued share capital of the Company as at the date of passing such resolution.

3. REASONS FOR SHARE REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to have a general authority from the Shareholders to enable the Directors to purchase Shares on the market. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earning per Share. The Directors will only exercise such power in such circumstances that they believe such purchases will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the memorandum of association of the Company, the Bye-laws and the Companies Act 1981 of Bermuda. Such funds may include capital paid upon the repurchased Shares, fund otherwise available for dividend or distribution, and the proceeds of a new issue of Shares made for the purpose. As compared with the financial position of the Company as at 31 December 2011, being the date of the latest audited consolidated financial statements of the Company, the Directors consider that there will not be any material impact on the working capital or the gearing position of the Company in the event that the proposed repurchases were to be carried out in full at any time during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing ratio which in the opinion of the Directors are from time to time appropriate for the Company.

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief, having made all reasonable enquiries, any of their respective associates has any present intention to sell Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders. No connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorized to make purchases of Shares.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and the Bye-laws.

7. SHARE REPURCHASE MADE BY THE COMPANY

No purchase of Shares has been made by the Company during the 6 months prior to the Latest Practicable Date.

8. SHARE PRICE

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the months commencing from 28 October 2011, being the date of the listing of the Company on the main board of the Stock Exchange, to the Latest Practicable Date were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
October 2011 (from 28 October 2011)	0.59	0.50
November 2011	0.53	0.49
December 2011	0.53	0.50
January 2012	0.56	0.50
February 2012	0.57	0.51
March 2012	0.55	0.50
April 2012 (up to the Latest Practicable Date)	0.53	0.53

Source: <http://www.hkex.com.hk>

9. GENERAL

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the substantial shareholders having interests in 10% or more of the issued share capital of the Company were:

Name of Shareholder	Approximate % shareholding		
	Number of the Shares held	As at the Latest Practicable Date	If Repurchase Mandate is exercised in full
Ever Rosy	104,000,000	25.00%	27.78%
IAM	104,000,000	25.00%	27.78%
Premier Wise	104,000,000	25.00%	27.78%

On the basis of 416,000,000 Shares in issue, if the Directors exercise in full the power to purchase Shares which is proposed to be granted at the AGM and assuming no further Shares are issued by the Company, the interests of each of abovementioned substantial shareholders in the issued share capital of the Company would be increased from approximately 25.00% to 27.78% of the then issued share capital of the Company. The Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any purchase of Shares pursuant to the Repurchase Mandate and have no intention to exercise the Repurchase Mandate to such an extent as would result in the amount of Shares held by the public being reduced to less than 25%.

The following are the particulars of the Directors proposed to be re-elected at the AGM:

Ms. Wong Kan Kan, Kandy (“Madam Wong”), aged 49, was appointed as Executive Director of the Company on 11 October 2011 and she is one of the co-founders of the Group. Madam Wong has over 27 years of experience in the management and operation of textile and knitting business. In 1983, Madam Wong joined a textile company owned by her father until 1993 when she resigned from such company and in late 1993/early 1994 commenced her own business together with her husband, Mr. Yam Tak Cheung (“Mr. Yam”), by setting up Fornton Holdings in 1993. To cope with the business development and to establish a manufacturing arm in the PRC, Madam Wong invited her brother and husband to set up Nice Regent in 1995. Madam Wong is primarily responsible for the overall corporate strategic planning and business development of the Group. Madam Wong obtained her bachelor degree of Arts from University of Toronto majoring in Commerce in November 1983. Madam Wong is the wife of Mr. Yam and sister of Mr. Wong Tat Wai, Derek.

Madam Wong has entered into a service agreement with the Company as an Executive Director for a term of two years commencing from 11 October 2011. She is subject to retirement and rotation for at least once every three years and re-election at AGMs in accordance with the Bye-laws.

As at the Latest Practicable Date, Madam Wong, through her holding of all the issued shares of Ever Rosy, was beneficially interested in 104,000,000 Shares within the meaning of Part XV of the SFO. Madam Wong did not hold any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the last three years.

Currently, the Company pays emolument in the amount of HK\$103,930 per month to Madam Wong. The emolument determined by the Board with reference to her qualification, duties and responsibilities with the Company and the market benchmark.

Mr. Wong Tat Wai, Derek (“Mr. Wong”), aged 43, was appointed as executive Director on 11 October 2011 and he is one of the co-founders of the Group. Mr. Wong has over 16 years of experience in the management and operation of textile and knitting business. Since the establishment of Nice Regent in 1995, Mr. Wong has been involved in the overall corporate strategic planning and daily management of manufacturing of the Group. Mr. Wong is currently an executive director of China Packaging Group Company Limited (stock code: 572) which is listed on the main board of the Stock Exchange. Mr. Wong is the brother of Madam Wong and brother-in-law of Mr. Yam.

Mr. Wong has entered into a service agreement with the Company as an Executive Director for a term of two years commencing from 11 October 2011. He is subject to retirement and rotation for at least once every three years and re-election at AGMs in accordance with the Bye-laws.

As at the Latest Practicable Date, Mr. Wong, through his holding of all the issued shares of Premier Wise, was beneficially interested in 104,000,000 Shares within the meaning of Part XV of the SFO. Except for the abovementioned directorship, Mr. Wong did not hold any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the last three years.

Currently, the Company pays emolument in the amount of HK\$94,140 per month to Mr. Wong. The emolument determined by the Board with reference to her qualification, duties and responsibilities with the Company and the market benchmark.

Save as disclosed above, the abovementioned Directors do not have any relationships with any other directors, senior management or substantial or controlling shareholders of the Company within the meaning of the Listing Rules.

Save as disclosed above, there is no information which is disclosable nor is/was any of the abovementioned Directors involved in any of the matters required to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Save as disclosed above, there are no other matters in relation to the re-election of the abovementioned Directors that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules.

NOTICE OF THE AGM

FORNTON GROUP LIMITED

豐臨集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1152)

NOTICE IS HEREBY GIVEN that an annual general meeting of Fornton Group Limited (the “Company”) will be held at Unit A, 32nd Floor, Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon on Wednesday, 30 May 2012 at 10:00 a.m. to consider and, if thought fit, pass the following resolutions:

1. To receive and adopt the audited financial statements, directors’ reports and independent auditor’s report of the Company for the ended 31 December 2011.
2. To re-elect the following retiring directors of the Company and to authorize the board of directors to fix the directors’ remuneration:
 - (A) Ms. Wong Kan Kan, Kandy; and
 - (B) Mr. Wong Tat Wai, Derek.
3. To re-appoint SHINEWING (HK) CPA Limited as the Company’s auditors and to authorize the board of directors to fix their remuneration.
4. To consider, as special business, and if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTION

A. “**THAT**

- (a) subject to the paragraph (b) of this resolution below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed at any time and which is recognized by the Securities and Future Commission of Hong Kong and the Stock Exchange as amended from time to time for this purpose, subject to and in accordance with all applicable law, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution above shall be in addition to any other authorization given to the directors and shall authorize the directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the directors;

NOTICE OF THE AGM

- (c) the aggregate nominal amount of the shares of the Company to be purchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the time of passing this resolution; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the time of passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
 - (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

B. “THAT

- (a) subject to the paragraph (c) of this resolution below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the directors be and are hereby authorized during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors pursuant to the approval in paragraph (a) and (b) of this resolution above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any option granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the time of passing this resolution; and

NOTICE OF THE AGM

- (d) for the purpose of this resolution, “Relevant Period” means the period from the time of passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
 - (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

- C. “**THAT** conditional upon the passing of resolutions 4A and 4B set out in the notice convening this meeting, the aggregate nominal amount of the share capital of the Company which are repurchased by the Company pursuant to and in accordance with the said resolution 4A shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with resolution 4B as set out in the notice convening this meeting.”

On behalf of the Board
Fornton Group Limited
Yam Tak Cheung
Chairman

27 April 2012

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Headquarter and Principal Place of
Business in Hong Kong*
Unit A, 32nd Floor
Legend Tower
7 Shing Yip Street
Kwun Tong
Kowloon

NOTICE OF THE AGM

Notes:

1. In order to determine the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Monday, 28 May 2012 to Wednesday, 30 May 2012 (both days inclusive), during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Union Registrars Limited at 18/F., Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wan Chai, Hong Kong for registration not later than 4:00 p.m. on Friday, 25 May 2012.
2. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he/she or they represent as such member could exercise.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorized to sign the same.
4. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority shall be delivered to the Company's branch share registrar, Union Registrars Limited at 18/F., Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or the adjourned meeting or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint holders of any shares of the Company, any one of such joint holder may vote either in person or by proxy in respect of such shares as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
7. As at the date hereof, the executive directors of the Company are Mr. Yam Tak Cheung, Ms. Wong Kan Kan, Kandy and Mr. Wong Tat Wai, Derek and the independent non-executive directors are Mr. Wang Wei Hung, Andrew, Mr. Cheng Dickson and Mr. Sin Ka Man.