

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about as to any aspect of 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 accompanying 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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

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

A notice convening the annual general meeting (the “AGM”) to be held at Unit A, 32nd Floor, Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong on 15 May 2013 at 10:00 a.m. is set out on pages 12 to 15 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the office of the Company’s branch share registrar in Hong Kong, Union Registrars Limited at 18/F., Fook Lee Commercial Centre Town Place, 33 Lockhart Road, Wanchai, Hong Kong 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 (as the case may be). 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.

12 April 2013

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
Proposed general mandates to issue Shares and repurchase Shares	4
Proposed re-election of retiring directors	5
The AGM	5
Responsibility statement	5
Recommendation	5
General	6
Appendix I — Explanatory statement	7
Appendix II — Details of retiring Directors proposed to be re-elected	10
Notice of the AGM	12

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, Hong Kong on Wednesday, 15 May 2013, at 10:00 a.m., notice of which is set out on pages 12 to 15 of this circular or, where the context so requires any adjournment thereof
“Billion Mission”	Billion Mission Limited, a company incorporated in Anguilla with limited liability and wholly and beneficially owned by Mr. Zheng Qiang, substantial shareholder of the Company
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Company”	Fornton Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange (stock code: 1152)
“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
“Group”	the Company and its subsidiaries
“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 the powers of the Company to allot, issue and deal with additional Shares up to the amount not exceeding 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 at the AGM

DEFINITIONS

“Latest Practicable Date”	9 April 2013, being the latest practicable date prior to printing of this circular for the purpose of ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice of AGM”	the notice to convene the AGM set out on pages 12 to 15 of this circular
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares up to the amount not exceeding 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\$0.01 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	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
Hong Kong

12 April 2013

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

At the forthcoming AGM, resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the granting of the Issue Mandate and the Repurchase Mandate; and (ii) the re-election of retiring Directors.

The purpose of this circular is to provide you with the Notice of AGM and information reasonable necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

LETTER FROM THE BOARD

PROPOSED GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

Issue Mandate

Pursuant to the ordinary resolution passed at the annual general meeting of the Company held on 30 May 2012, the Directors have been granted a general and unconditional mandate to allot, issue and deal with additional Shares up to the amount not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue. Such mandate will expire at the conclusion of the AGM. An ordinary resolution will be proposed at the AGM that the Directors be granted a general and unconditional mandate to allot, issue and deal with additional Shares up to the amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution to approve the Issue Mandate.

As at the Latest Practicable Date, the number of Shares in issue was 416,000,000 Shares. Subject to the passing of the ordinary resolution for the approval of the Issue Mandate and on the basis that no further Shares will be issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Issue Mandate to allot, issue and deal with additional Shares up to a maximum of 83,200,000 new Shares, representing 20% of the issued share capital of the Company at the date of passing the resolution to approve the Issue Mandate.

An ordinary resolution will also be proposed to authorise the extension of the Issue Mandate by an addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the Repurchase Mandate (if granted).

Details of the Issue Mandate and the extension of the Issue Mandate are set out in ordinary resolutions no. 4B and 4C in the Notice of AGM respectively.

Repurchase Mandate

Pursuant to the ordinary resolution passed at the annual general meeting of the Company held on 30 May 2012, the Directors have been granted a general and unconditional mandate to exercise all the powers of the Company to repurchase Shares up to the amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue. Such mandate will expire at the conclusion of the AGM. An ordinary resolution will be proposed at the AGM that the Directors be granted a general and unconditional mandate to exercise all the powers of the Company to repurchase Shares up to the amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution to approve the Repurchase Mandate.

As at the Latest Practicable Date, the number of Shares in issue was 416,000,000 Shares. Subject to the passing of the ordinary resolution for the approval of the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase up to a maximum of 41,600,000 Shares, representing 10% of the issued share capital of the Company as at date of passing the resolution to approve the Repurchase Mandate.

The explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

The Repurchase Mandate and the Issue Mandate, if granted, will continue to be in force during the period from the date of passing of the ordinary resolutions for the approval of the Repurchase Mandate and the Issue Mandate up to (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 or any applicable law to be held; or (iii) the date on which such authority is revoked or varied by ordinary resolution of the Shareholders at a general meeting of the Company, whichever occurs first.

PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with bye-laws 84 of the Bye-laws, at each general meeting of the Company one third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. The Board has determined that Mr. Yam Tak Cheung and Mr. Sin Ka Man shall retire from their offices as Director at the AGM. Being eligible, Mr. Yam Tak Cheung would offer himself for re-election as an executive Director, and Mr. Sin Ka Man would offer himself as re-election as an independent non-executive Director. Biographical details and other information of the Directors who are to be re-elected at the AGM are set out in the Appendix II to this circular.

THE AGM

A notice convening the AGM to be held at Unit A, 32nd Floor, Legend Tower, 7 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong on Wednesday, 15 May 2013 at 10:00 a.m. is set out on pages 12 to 15 of this circular.

A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same 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 any adjournment thereof (as the case may be). 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 (as the case may be), should you so wish.

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 proposed resolutions are to be decided by way of a poll. An announcement will be made by the Company after the conclusion of the AGM on the poll results of the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief and there are no other matters the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the opinion that the proposed grant of the Issue Mandate, the Repurchase Mandate and the extension of Issue Mandate and the proposed re-election of retiring Directors are in the interests of the Company, the Group 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.

GENERAL

Your attention is drawn to the additional information set out in the appendices to this circular and the Notice of AGM. 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 to be presented to Shareholders under the Listing Rules concerning the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was 416,000,000 Shares. Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares will be issued and repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase up to a maximum of 41,600,000 Shares, representing 10% of the issued share capital of the Company as at the date of passing the resolution to approve the Repurchase Mandate.

2. REASONS FOR SHARE REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company, the Group and the Shareholders as a whole. Such repurchases 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 are seeking the grant of a general mandate to repurchase the Shares to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining. Repurchase will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

Any repurchase will be made out of funds which are legally available for such 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 issue of new Shares made for the purpose of the repurchase. In the event that the Repurchase Mandate was to be exercised out in full at any time during the proposed repurchase period, there might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated financial statements contained in the Company's annual report for the year ended 31 December 2012. However, 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.

4. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge and belief, having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) has any present intention to sell Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders. No other connected persons (as defined in the Listing Rules) 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 Repurchase Mandate is approved by the Shareholders.

5. 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.

6. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any Shares in the six months preceding the Latest Practicable Date.

7. SHARE PRICE

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2012		
April	0.53	0.52
May	0.53	0.49
June	0.49	0.37
July	0.49	0.45
August	0.53	0.45
September	1.90	0.50
October	1.99	1.47
November	1.60	1.32
December	1.45	1.13
2013		
January	1.70	1.01
February	1.63	1.57
March	1.36	1.10
April (up to and including the Latest Practicable Date)	1.10	1.10

8. TAKEOVERS CODE

If as a result of the Directors exercising the powers to repurchase 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 Rule 32 the Takeovers Code. Accordingly, a 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' interests, 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 for all Shares not already owned by such Shareholder or group of Shareholders.

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%
Billion Mission	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 repurchase Shares which is proposed to be granted at the AGM and assuming no further Shares are issued by the Company, the interest 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 repurchase 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 retiring Directors proposed to be re-elected at the AGM:

Mr. Yam Tak Cheung (“Mr. Yam”), aged 51, was appointed as executive Director and Chairman of the Board on 11 October 2011. He is one of the co-founders of the Group. Mr. Yam is primarily responsible for the overall corporate strategic planning of the Group. He is a professional investor and has investments in a number of companies whose shares are listed on the main board of the Stock Exchange. Mr. Yam obtained his bachelor degree of Science from the University of Toronto majoring in Computer Science and Actuarial Science in June 1983. Mr. Yam is the husband of Ms. Wong Kan Kan, Kandy, an executive Director and a substantial shareholder of the Company within the meaning of Part XV of the SFO and the brother-in-law of Mr. Wong Tat Wai, Derek, an executive Director. Mr. Yam is the owner and director of IAM, a substantial shareholder of the Company within the meaning of Part XV of the SFO.

Mr. Yam 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. Yam was (i) beneficially interested in 104,000,000 Shares through his holding of all the issued shares of IAM; and (ii) deemed to be interested in 104,000,000 Shares, representing the Shares held by Ms. Wong Kan Kan, Kandy, within the meaning of Part XV of the SFO. Mr. Yam 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\$42,000 per month to Mr. Yam. The emolument was determined by the Board with reference to his qualification, duties and responsibilities with the Company and the market benchmark.

Mr. Sin Ka Man (“Mr. Sin”), aged 45, was appointed as independent non-executive Director on 11 October 2011. Mr. Sin has over 20 years of professional experience in auditing, accounting and financial management for both private and listed corporations. He became an associate member of The Hong Kong Institute of Certified Public Accountants (the “HKICPA”) (formerly known as Hong Kong Society of Accountants) in January 1996, a fellow member of the Association of Chartered Certified Accountants in July 1997 and a certified practising accountant of the CPA Australia in December 2000. Mr. Sin obtained his bachelor degree in Social Sciences from the University of Hong Kong in December 1989, master degree in Finance from the University of Strathclyde, the United Kingdom in November 1993 and a master degree in Accounting from Curtin University of Technology, Australia in June 1998.

Mr. Sin is currently the company secretary of Huayu Expressway Group Limited (Stock Code: 1823), a company listed on the main board of the Stock Exchange. Mr. Sin serves as an independent non-executive director of China Motion Telecom International Limited (Stock Code: 0989), Chinese People Holdings Company Limited (Stock Code: 0681), PNG Resources Holdings Limited (formerly known as LeRoi Holdings Limited) (Stock Code: 0221), Xtep International Holdings Limited (Stock Code: 1368) and Sino Haijing Holdings Limited (Stock Code: 1106), all of which are currently listed on the main board of the Stock Exchange.

Mr. Sin has entered into a service agreement with the Company as an independent non-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.

Currently, the Company pays director fee in the amount of HK\$100,000 per annual to Mr. Sin. The Director fee was determined by the Board with reference to his 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 and there is no other matters concerning the abovementioned Directors that need to be brought to the attention of the Shareholders nor any other information to be disclosed pursuant to 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, Hong Kong on Wednesday, 15 May 2013 at 10:00 a.m. to consider and, if thought fit, pass (with or without modification) 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 2012.
2. To re-elect the following retiring directors of the Company and to authorize the board of directors of the Company to fix the directors’ remuneration:
 - (A) Mr. Yam Tak Cheung as an executive director of the Company;
 - (B) Mr. Sin Ka Man as an independent non-executive director of the Company; and
 - (C) to authorize the board of directors to fix the directors’ remuneration.
3. To re-appoint SHINEWING (HK) CPA Limited as the Company’s auditor and to authorize the board of directors of the Company to fix its 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

12 April 2013

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
Hong Kong

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, 13 May 2013 to Wednesday, 15 May 2013 (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, 10 May 2013.
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.