



9 October 2012

**High Concentration of Shareholding
in
Fornton Group Limited (Stock Code: 1152)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Fornton Group Limited (“the Company”) in the hands of a limited number of shareholders as at 25 September 2012.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 25 September 2012, 10 shareholders held an aggregate of 96,992,000 Shares, representing 23.32% of the issued Shares. Such shareholding, together with the 312,000,000 Shares (representing 75% of the issued Shares) held by 3 substantial shareholders of the Company, represented 98.32% of the issued Shares as at 25 September 2012. Therefore, only 7,008,000 Shares (representing 1.68% of the issued Shares) were held by other shareholders.

As at 25 September 2012, the shareholding structure of the Company was as follows:

	Number of Shares held (shares)	% of total number of issued Shares (%)
Integrated Asset Management (Asia) Limited (<i>Note 1</i>)	104,000,000	25.00
Ever Rosy Limited (<i>Note 2</i>)	104,000,000	25.00
Premier Wise Limited (<i>Note 3</i>)	104,000,000	25.00
A group of 10 shareholders (<i>Note 4</i>)	96,992,000	23.32
Other shareholders	7,008,000	1.68
	416,000,000	100.00

Note 1: Integrated Asset Management (Asia) Limited is beneficially owned by Mr. Yam Tak Cheung. Mr. Yam is the Chairman and executive director of the Company.

Note 2: Ever Rosy Limited is beneficially owned by Ms. Wong Kan Kan Kandy. Ms. Wong is an executive director of the Company and the spouse of Mr. Yam Tak Cheung.

Note 3: Premier Wise Limited is beneficially owned by Mr. Wong Tak Wai Derek. Mr. Wong is an executive director of the Company and the brother of Ms. Wong Kan Kan.



Note 4: Amongst the 96,992,000 Shares, 87,188,000 Shares (representing 20.96% of the issued Shares) were held by 5 shareholders who were placees during the IPO. They were initially allotted a total of 68,000,000 Shares.

The Company was listed on the Main Board of the Stock Exchange of Hong Kong on 28 October 2011 by way of public offering of 10,400,000 Shares and placing of 93,600,000 Shares, representing 25% of the total issued Shares, at HK\$0.50 per Share. Share price of the Company closed at HK\$0.53 on its first day of listing.

Thereafter, share price of the Company closed between HK\$0.40 and HK\$0.55. In late September 2012, Share price of the Company began to surge and rose 150% from HK\$0.50 on 21 September 2012 to HK\$1.25 on 25 September 2012. On 8 October 2012, the Shares closed at HK\$1.60, representing an increase of 220% from the close of HK\$0.50 on 21 September 2012.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

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