



FOREFRONT GROUP LIMITED

(formerly known as Forefront International Holdings Limited)

(incorporated in the Cayman Islands with limited liability)

福方集團有限公司*

(Stock Code: 0885)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Forefront Group Limited (the “Company”) will be held on Monday, 6 August 2007 at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. for the purpose of considering and, if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS

1. **“THAT** subject to and conditional upon the Listing Committee of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting listing of and permission to deal in the shares of HK\$0.10 each in the Company (“Shares”) to be issued upon the exercise of the conversion rights attaching to the Convertible Notes (defined below):
 - A) the entering into of a placing agreement dated 9 July 2007 between the Company and Chung Nam Securities Limited (“Chung Nam”) to which Chung Nam acting as a placing agent agrees to procure placees, on a fully underwritten basis, for zero coupon convertible notes at an aggregate principal amount of HK\$150,000,000 (“Convertible Notes”) (a copy of which has been produced to this meeting marked “A” and initialed by the chairman of the meeting for identification purpose) be and is hereby approved, ratified and confirmed;
 - B) the terms and conditions of the Convertible Notes (a copy of which has been produced to this meeting marked “B” and initialed by the chairman of the meeting for identification purpose) be and are hereby approved;

* *For identification purpose only*

- C) the directors of the Company be and are hereby authorized to (i) issue and allot the Convertible Notes; (ii) issue and allot to the holders of the Convertible Notes upon the due exercise of the conversion rights attaching to the Convertible Notes the appropriate number of new Shares and (iii) do all such acts and things as they consider necessary, desirable or expedient to give effect to any or all other transactions contemplated in this resolution”.
2. “**THAT** subject to and conditional upon the Stock Exchange granting listing of and permission to deal in the shares of HK\$0.10 each in the Company (“Shares”) to be issued upon the exercise of the conversion rights attaching to the Convertible Notes (defined below):
- A) the entering into of a placing agreement dated 9 July 2007 between the Company and Chung Nam Securities Limited (“Chung Nam”) to which Chung Nam acting as a placing agent agrees to procure placees, on a best effort basis, for zero coupon convertible notes at an aggregate principal amount up to HK\$600,000,000 (“Convertible Notes”) (a copy of which has been produced to this meeting marked “C” and initialed by the chairman of the meeting for identification purpose) be and is hereby approved, ratified and confirmed;
 - B) the terms and conditions of the Convertible Notes (a copy of which has been produced to this meeting marked “D” and initialed by the chairman of the meeting for identification purpose) be and are hereby approved;
 - C) the directors of the Company be and are hereby authorized to (i) issue and allot the Convertible Notes; (ii) issue and allot to the holders of the Convertible Notes upon the due exercise of the conversion rights attaching to the Convertible Notes the appropriate number of new Shares and (iii) do all such acts and things as they consider necessary, desirable or expedient to give effect to any or all other transactions contemplated in this resolution”.

3. **“THAT:–**

- (A) subject to paragraph (C) 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 additional 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 of the Company be and are authorised 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 of the Company pursuant to the approval in paragraphs (A) and (B), otherwise than (i) a Rights Issue (as hereafter defined) or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company or (iii) an issues of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to the employees of the Company and/or any of its subsidiaries or any other eligible person(s) of shares or right to acquire shares of the Company or (iv) an issue of shares as scrip dividend pursuant to the Articles of Association, from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (D) for the purposes of this resolution:–

“Relevant Period” means the period from the time of the 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 memorandum and articles of association of the Company or any applicable law of Hong Kong to be held; and
- (iii) the revocation or variation of the authority given under this resolution 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 on the register of members 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 to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

- 4. “**THAT** conditional on the Stock Exchange granting approval of the new share option scheme (the “New Share Option Scheme”) (a copy of which has been produced to this meeting marked “E” and initialed by the chairman of the meeting for identification purpose) and subject to such amendments to the New Share Option Scheme as the Stock Exchange may request, the New Share Option Scheme be approved and adopted to be the New Share Option Scheme of the Company and that the directors of the Company be and is hereby authorized to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give effect to the New Share Option Scheme, notwithstanding that they or any of them may be interested in the same.”
- 5. “**THAT**, subject to and conditional upon the passing of ordinary resolution no. 4 above and the condition referred to therein being satisfied or fulfilled, the operation of the existing share option scheme of the Company adopted on 2 August 2002 be hereby terminated with effect from the adoption of the New Share Option Scheme (such that no further options could thereafter be offered under the existing share option scheme of the Company but in all other respects the provisions of the existing share option scheme of the Company shall remain in full force and effect).”

By order of the Board
Forefront Group Limited
Yeung Ming Kwong
Executive Director

Hong Kong, 20 July 2007

As at the date of this announcement, the Board comprises six executive Directors, namely, Ms. Yau Shum Tek, Cindy, Mr. Ting Wing Cheung, Sherman, Ms. Lo Oi Kwok, Sheree, Mr. Yeung Ming Kwong, Mr. Louis Wen and Mr. Zhou Qi Jin, and four independent non-executive Directors, namely Mr. Chung Yuk Lun, Mr. Kwong Wai Tim, William, Mr. Sun Ka Ziang, Henry and Ms. Lam Yan Fong, Flora.

Notes:

- (1) A form of proxy to be used for the meeting is enclosed.
- (2) Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
- (3) To be valid, the instrument appointing a proxy must be in writing under the hand of the appointer or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorized.
- (4) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited at office of the Company's branch share registrar in Hong Kong, Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting, and in default the instrument of proxy shall not be treated as valid.
- (5) Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.