



**FOREFRONT GROUP LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

**福方集團有限公司\***

**(Stock Code: 0885)**

**CONVERSION OF CONVERTIBLE NOTES DUE IN 2010**

The Company made this announcement pursuant to paragraph (b) under the heading “Dilution effect on Shareholders” of the Announcement and the Circular.

Reference is made to the announcement of Forefront Group Limited (the “Company”) dated 10 July 2007 (the “Announcement”) and the Company’s circular dated 20 July 2007 (the “Circular”). The Company makes this announcement pursuant to paragraph (b) under the heading “Dilution effect on Shareholders” of the Announcement and Circular. Unless the context herein otherwise requires, terms used in this announcement shall have the same meanings as in the Announcement and the Circular.

The Company has received 6 conversion notice(s) for the conversion of the Conversion Notes issued and as a result of which the Company has issued a total of 300,000,000 Shares to 6 independence placee(s) at the Conversion Price of HK\$0.50 per Conversion Share in 10 August 2007. The Conversion Shares issued represent approximately 20.19% of the issued share capital of the Company immediately before the conversion and 16.80% of the issued share capital of the Company as enlarged by the newly issued Shares upon conversion, have been allotted and issued.

\* *For identification purpose only*

Details of conversion of the Convertible Notes issued during the period from 1 August 2007 to the date hereof are as follows:–

(a) Conversion of the Convertible Notes issued:

| <b>Date of Conversion Notice</b> | <b>No. of Conversion Notice</b> | <b>No. of new Shares be issued</b> | <b>Principal amount of Convertible Notes<br/>HK\$' million</b> | <b>Conversion Price<br/>HK\$</b> |
|----------------------------------|---------------------------------|------------------------------------|--|----------------------------------|
| 10 August 2007                   | 6                               | 300,000,000                        | 150  | 0.5                              |

(b) Redemption of the Convertible Notes: Nil

(c) The outstanding principal amount of the Convertible Notes after conversion(s) and redemption(s) above: Nil

(d) The total number of Shares issued during the month other than as a result of the conversion of the Convertible Notes: 10,894,300

(e) The total issued share capital of the Company as at 1 August 2007 1,474,918,724

(f) The total issued share capital of the Company as at 10 August 2007 and the date hereof 1,785,813,024

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

Hong Kong, 10 August 2007

*As at the date of this announcement, the Board comprises seven 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, Mr. Zhou Qi Jin and Mr. Lam Kwan Sing; and four independent non-executive Directors, namely Mr. Chung Yuk Lun, Mr. Kwong Wai Tim, William, Ms. Lam Yan Fong, Flora and Ms. Kristi L Swartz.*