



FOREFRONT GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

福方集團有限公司*

(Stock Code: 0885)

**MONTHLY ANNOUNCEMENT
ON
CONVERSION OF CONVERTIBLE NOTES DUE IN 2010**

The Company made this announcement pursuant to paragraph (a) 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 (a) 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 six notices for the partial 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 August 2007. The Conversion Shares issued represent approximately 16.80% of the issued share capital of the Company as at the date of this announcement.

* *For identification purpose only*

The details regarding the status of conversion of the Convertible Notes issued in the month of August 2007 are as follows:–

(a) Conversion of the Convertible Notes issued:

| Date of Conversion Notice | No. of Conversion Notice | No. of new Shares be issued | Principal amount of Convertible Notes <i>HK\$ million</i> | Conversion Price <i>HK\$</i> |
|----------------------------------|---------------------------------|------------------------------------|--|---|
| 10 August 2007 | 6 | 300,000,000 | 150 | 0.50 |

(b) Redemption of the Convertible Notes: Nil

(c) The outstanding principal amount of the Convertible Notes after conversion(s) and redemption(s) above: HK\$600,000,000

(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 31 August 2007 1,785,813,024

* *exercise of share option by Mr. Jerry Liu on 6 August 2007.*

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

Hong Kong, 4 September 2007

As at the date of this announcement, the Board comprises eight 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, Mr. Lam Kwan Sing and Mr. Zhuang You Dao; 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.