

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



FOREFRONT GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

福方集團有限公司*

(Stock Code: 0885)

**RESULTS OF RIGHTS ISSUE OF 892,906,512 RIGHTS SHARES
ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY TWO EXISTING SHARES
HELD ON RECORD DATE
BY QUALIFYING SHAREHOLDERS**

The Directors are pleased to announce that all conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms. The Rights Issue has become unconditional at 4:00 p.m. on Thursday, 24 January 2008.

As at 4:00 p.m. on Tuesday, 22 January 2008, being the latest time for acceptance and payment of the Rights Shares and the latest time for application and payment of the excess Rights Shares, the Company has received 31 valid acceptances for a total of 733,554,551 Rights Shares provisionally allotted under the Rights Issue (representing approximately 82.15% of the total Rights Shares) and 32 valid applications for a total of 457,509,481 excess Rights Shares (representing approximately 51.24% of the total Rights Shares). An aggregate of 1,191,064,032 Rights Shares and excess Rights Shares have been applied for, representing approximately 133.39% of the total number of 892,906,512 Rights Shares offered under the Rights Issue. Accordingly, the Rights Issue was approximately 33.39% oversubscribed.

* For identification purpose only

It is expected that share certificates in respect of fully-paid Rights Shares and refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares will be despatched by ordinary post to those entitled thereto at their own risk by the Registrar on or before Tuesday, 29 January 2008.

Dealings in fully-paid Rights Shares on the Stock Exchange are expected to commence on Thursday, 31 January 2008.

Reference is made to the prospectus of the Company dated 4 January 2008 (the "Prospectus") in relation to the Rights Issue. Capitalised terms used herein shall have the same meanings as those defined in the Prospectus unless otherwise stated.

RESULTS OF THE RIGHTS ISSUE

The Directors are pleased to announce that all conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms. The Rights Issue has become unconditional at 4:00 p.m. on Thursday, 24 January 2008.

As at 4:00 p.m. on Tuesday, 22 January 2008, being the latest time for acceptance and payment of the Rights Shares and the latest time for application and payment of the excess Rights Shares, the Company has received 31 valid acceptances for a total of 733,554,551 Rights Shares provisionally allotted under the Rights Issue (representing approximately 82.15% of the total Rights Shares) and 32 valid applications for a total of 457,509,481 excess Rights Shares (representing approximately 51.24% of the total Rights Shares). An aggregate of 1,191,064,032 Rights Shares and excess Rights Shares have been applied for, representing approximately 133.39% of the total number of 892,906,512 Rights Shares offered under the Rights Issue. Accordingly, the Rights Issue was approximately 33.39% oversubscribed.

EXCESS APPLICATION

Of the 159,351,961 Rights Shares available for the excess application, the Directors have resolved to allocate those Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders on the following basis with a priority to topping up of odd lot applications.

Number of excess Rights Shares applied for	Number of valid excess applications	Total number of excess Rights Shares applied for	Basis of allotment	Total number of Rights Shares allotted	Approximately percentage of allocation based on the total number of excess
					Rights Shares applied for in this category
1 to 2,000	7	12,990	In full	12,990	100.00%
2,001 to 1,200,000	24	7,652,991	Allot odd excess Rights Shares applied for in full plus 35.00% of the remaining excess Rights Shares applied for (rounded up to the nearest board lot)	2,712,991	35.45%
449,843,500	1	449,843,500	Approximately 34.82% of the excess Rights Shares applied for	156,625,980	34.82%
	32	457,509,481		159,351,961	

The above allocation is generally based on the following principles:

- (1) preference has been given to applications for topping-up odd-lot holdings to whole-lot holdings; and

- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares have been allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive smaller number of Rights Shares; whereas Qualifying Shareholders applying for larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive higher number of Rights Shares) and with board lots allocations to be made on best effort's basis.

The Directors consider that the sliding scale of allocation is fair and reasonable, as Qualifying Shareholders applying for a smaller number of Rights Shares would be allocated lesser number of Rights Shares whereas Qualifying Shareholders applying for a larger number of Rights Shares would be allocated a larger number of Rights Shares. Accordingly, the Directors consider that 159,351,961 Rights Shares available for the excess applications have been allocated on a fair and reasonable basis.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge of the Directors, the shareholding structure of the Company immediately before and immediately after completion of the Rights Issue is as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>No. of Shares</i>	<i>(approximately)</i> %	<i>No. of Shares</i>	<i>(approximately)</i> %
Directors (<i>Note 1</i>)	133,347,736	7.47%	200,021,604	7.47%
Willie International Holdings Limited (<i>Note 2</i>)	150,630,000	8.43%	225,945,000	8.43%
China Railway Scientific Technology Development Company (<i>Note 3</i>)	140,000,000	7.84%	140,000,000	5.23%
Scania AB (publ) (<i>Note 4</i>)	98,204,000	5.50%	98,204,000	3.67%
Heritage International Holdings Limited (<i>Note 5</i>)	90,832,000	5.09%	136,248,000	5.09%
Other Shareholders	1,172,799,288	65.67%	1,878,300,932	70.11%
Total	<u>1,785,813,024</u>	<u>100.00%</u>	<u>2,678,719,536</u>	<u>100.00%</u>

Notes:

1. This excludes 150,000 Shares held by Ms. Warphon Suwannahong, the spouse of Mr. Louis Wen, an executive Director of the Company.
2. Willie International Holdings Limited (Stock code: 273), a company listed on the Stock Exchange, is interested in the share capital of the Company indirectly through its wholly-owned subsidiary, Pearl Decade Limited.
3. China Railway Investments Group (Hong Kong) Limited (中鐵開發投資集團(香港)有限公司) is wholly-owned by China Railway Investments Group Limited (中鐵多經投資集團有限公司) which in turn is wholly-owned by China Railway Scientific Technology Development Company (中鐵科學技術開發公司).
4. The issued share capital of Scania Trade Development AB is wholly-owned by Scania CV AB (publ) which in turn is wholly-owned by Scania AB (publ).
5. Dollar Group Limited is wholly-owned by Coupeville Limited which in turn is wholly-owned by Heritage International Holdings Limited.

CERTIFICATES FOR RIGHTS SHARES AND COMMENCEMENT OF DEALINGS

It is expected that share certificates in respect of fully-paid Rights Shares and refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares will be despatched by ordinary post to those entitled thereto at their own risk by the Registrar on or before Tuesday, 29 January 2008. Dealings in fully-paid Rights Shares on the Stock Exchange are expected to commence on Thursday, 31 January 2008.

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

Hong Kong, 29 January 2008

As at the date of this announcement, the Board comprises seven executive Directors, namely, Ms. Yau Shum Tek, Cindy, Mr. Yeung Ming Kwong, Ms. Lo Oi Kwok, Sheree, Mr. Ting Wing Cheung, Sherman, Mr. Louis Wen, Mr. Zhou Qi Jin 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.