
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Forefront Group Limited (the “Company”), you should at once hand this Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Dealings in Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, having attached hereto the written consent referred to under the paragraph headed “Expert and Consent” in appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of the Prospectus Documents.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.



FOREFRONT GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

福方集團有限公司*

(Stock Code: 0885)

RIGHTS ISSUE OF 201,010,848 RIGHTS SHARES AT THE SUBSCRIPTION PRICE OF HK\$0.25 EACH ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE BY QUALIFYING SHAREHOLDERS

Underwriter of the Rights Issue



FREEMAN SECURITIES LIMITED

It should be noted that the Shares have been dealt in on an ex-rights basis since Friday, 8 February 2013. Dealings in the Rights Shares in their nil-paid form are expected to take place from Tuesday, 26 February 2013 to Wednesday, 6 March 2013 (both dates inclusive). Any person contemplating buying or selling of the Shares from now up to the date on which all conditions of the Rights Issue are fulfilled and dealings in the Rights Shares in their nil-paid form between Tuesday, 26 February 2013 to Wednesday, 6 March 2013 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional and may not proceed. Investors should seek professional advice regarding dealings in the Shares and nil-paid Rights Shares if they are in any doubt.

The latest time for application and payment for the Rights Shares is 4:30 p.m. on Monday, 11 March 2013. The procedures for application of Rights Shares are set out on pages 12 to 14 of this Prospectus.

The Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” in this Prospectus). Accordingly, the Rights Issue may or may not proceed.

22 February 2013

* For identification purpose only

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to 4:30 p.m. on the third Business Day after the Acceptance Date, if:

- (a) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (ii) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement, of a political, financial, economic, currency market or other nature (whether or not ejusdem generis with any of the foregoing) or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (iii) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
 - (iv) any act of god, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (vi) the commencement or taking by any third party of any litigation or claim or other action against any member of the Group which is or might be material to the Group taken as a whole; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the Cayman Islands, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it; or
- (d) the Company commits any material breach of or omits to observe any of the material obligations or material undertakings expressed to be assumed by it under the Underwriting Agreement; or
- (e) if, at or prior to the Latest Time for Termination:
 - (i) any material breach of any of the warranties or undertakings of the Company contained under the Underwriting Agreement comes to the knowledge of the Underwriter; or
 - (ii) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties of the Company contained under the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter,

the Underwriter shall be entitled by notice in writing to the Company prior to the Latest Time for Termination to elect to rescind the Underwriting Agreement.

Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2013

First day of dealing in nil-paid Rights Shares	Tuesday, 26 February
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Friday, 1 March
Last day of dealing in nil-paid Rights Shares.	Wednesday, 6 March
Latest time for acceptance of and payment for Rights Shares.	4:30 p.m. on Monday, 11 March
Latest time for the Rights Issue to become unconditional.	4:30 p.m. on Thursday, 14 March
Announcement of the results of the Rights Issue to be posted on the Stock Exchange's website	Friday, 15 March
Refund cheques for wholly and partially unsuccessful excess applications to be posted.	Monday, 18 March
Share certificates for fully-paid Rights Shares to be posted	Monday, 18 March
Dealing in fully-paid Rights Shares commences	9:00 a.m. on Tuesday, 19 March

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

“Acceptance Date”	4:30 p.m. on 11 March 2013 (or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares)
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and Public Holidays) on which commercial banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Forefront Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on Main Board of the Stock Exchange (Stock code: 885)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EAF”	the form of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter

DEFINITIONS

“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting on 22 June 2012 to allot and issue and deal with 20% of the then issued share capital of the Company as at the date of the annual general meeting and further adjusted by the Company’s capital reorganisation effective on 16 November 2012, representing 80,404,339 Shares
“Last Trading Day”	28 January 2013, being the date of the Underwriting Agreement
“Latest Practicable Date”	18 February 2013, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Latest Time for Termination”	4:30 p.m. on the third Business Day following the Acceptance Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC

DEFINITIONS

“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Options”	the options to subscribe for Shares under the Share Option Scheme
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL”	the renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	22 February 2013 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Non-Qualifying Shareholders
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholders”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholders

DEFINITIONS

“Record Date”	Thursday, 21 February 2013, the record date to determine entitlements to the Rights Issue
“Registrar”	the branch share registrar of the Company in Hong Kong, being Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue by way of rights on the basis of one (1) Rights Share for every two (2) Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	Shares to be issued and allotted under the Rights Issue, being 201,010,848 Shares
“Scheme Mandate Limit”	The maximum number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 6 August 2007
“Shareholder(s)”	the holder(s) of issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.25 per Rights Share

DEFINITIONS

“Underwriter”	Freeman Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activities within the meaning of the SFO, being the underwriter of the Rights Issue
“Underwriting Agreement”	the underwriting agreement dated 28 January 2013 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	201,010,848 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%” or “per cent.”	percentage or per centum

LETTER FROM THE BOARD



FOREFRONT GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

福方集團有限公司*

(Stock Code: 0885)

Executive Directors:

Mr. Yeung Ming Kwong (*Chairman*)
Ms. Lo Oi Kwok, Sheree
Mr. Lam Yick Sing
Mr. Wen Louis
Mr. Zhuang You Dao

Independent non-executive Directors:

Mr. Chung Yuk Lun
Ms. Lam Yan Fong, Flora
Mr. Pak William Eui Won

Registered office:

P.O. Box 309, Uglan House
South Church Street, George Town
Grand Cayman, Cayman Islands
British West Indies

*Head office and principal place of
business in Hong Kong:*

Room 1103,11/F.,
China United Centre
28 Marble Road
North Point
Hong Kong

22 February 2013

To the Qualifying Shareholders, and, for information only, the Non-Qualifying Shareholders

Dear Sir/Madam,

**RIGHTS ISSUE OF 201,010,848 RIGHTS SHARES AT
THE SUBSCRIPTION PRICE OF HK\$0.25 EACH ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD
ON THE RECORD DATE BY QUALIFYING SHAREHOLDERS**

INTRODUCTION

On 28 January 2013, the Board announced that the Company proposed to raise approximately HK\$50.25 million before expenses by issuing not less than 201,010,848 new Shares and to raise approximately HK\$65.33 million before expenses by issuing not more than 261,314,102 new Shares to the Qualifying Shareholders by way of a Rights Issue at the Subscription Price of HK\$0.25 per Rights Share on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date.

* *For identification purpose only*

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date
Number of Shares in issue as at the Latest Practicable Date	:	402,021,697
Number of Rights Shares	:	201,010,848 Rights Shares (<i>Notes</i>)
Subscription Price	:	HK\$0.25 per Rights Share with nominal value of HK\$0.001 each

Notes:

- i. As at Latest Practicable Date, there are unutilised Shares from the Scheme Mandate Limit up to 40,202,169 Shares which was approved at the annual general meeting held on 22 June 2012. As at the Latest Practicable Date, none of the abovementioned scheme have been granted or vested.
- ii. As at the Latest Practicable Date, the Issue Mandate has not been utilised.

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares. The 201,010,848 nil-paid Rights Shares proposed to be provisionally allotted represent 50% of the Company's issued share capital as at the Latest Practicable Date and 33.3% of the Company's issued share capital as enlarged by the issue of the 201,010,848 Rights Shares.

Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

LETTER FROM THE BOARD

Rights of Overseas Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

According to the register of members of the Company as at the Record Date, there were five Overseas Shareholders with registered addresses located in the Macau, Taiwan, PRC and Australia. The Directors have, in compliance with Rule 13.36(2)(a) of the Listing Rules, conducted enquiries regarding the feasibility of extending the Rights Issue to such Overseas Shareholders.

Based on the legal opinion of the Company's legal adviser on the laws of Macau, Taiwan, PRC and Australia, the Directors believe that it would be lawful for the Company to offer the Rights Issue to each of the aforesaid jurisdictions given either (i) there is no legal restriction under the applicable legislation of the relevant jurisdiction or requirement of any relevant regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in the relevant jurisdiction; or (ii) the Company would be exempt from obtaining approval from, and/or registration of the Prospectus Documents with, the relevant regulatory authorities under the applicable laws and regulations of the relevant jurisdiction as based on the existing circumstances. In view of this, the Directors have decided to extend the Rights Issue to the Overseas Shareholders with a registered address in Macau, Taiwan, PRC and Australia and such Overseas Shareholders, together with the Shareholders with registered addresses in Hong Kong, are Qualifying Shareholders. The Company will send the Prospectus Documents to such Qualifying Shareholders.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholder to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholder. The Company will retain individual amounts of HK\$100 or less for the benefits of the Company. Any unsold entitlement of the Non-Qualifying Shareholder, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by the Qualifying Shareholders.

LETTER FROM THE BOARD

Subscription Price

The subscription price for the Rights Shares is HK\$0.25 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- a) a discount of approximately 36.71% to the closing price of HK\$0.395 per Share as quoted on the Stock Exchange on the Last Trading Day;
- b) a discount of approximately 38.12% to the average closing price of HK\$0.404 per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the Last Trading Day;
- c) a discount of approximately 27.88% to the theoretical ex-right price of approximately HK\$0.347 per Share based on the closing price of HK\$0.395 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- d) a discount of approximately 15.25% to the closing price of HK\$0.295 per shares as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price which has been set as a discount to the closing price of the Shares on the Last Trading Day with an objective to encourage existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) will be approximately HK\$0.238.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Shares in issue and held on Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Board had not received any information from any substantial Shareholders (there are no substantial Shareholders (as defined under the Listing Rules) as at the Latest Practicable Date) of their intention to take up the Rights Shares provisionally allotted or offered to them or to be provisionally allotted or offered to them.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* with the then existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares. The aggregate of fractions of the Rights Shares will be sold by the Company in the market, and, if a net premium can be obtained the proceeds will be retained by the Company for its own benefit. Any unsold aggregate of fractions of the Rights Shares will be made available for excess application on EAF by the Qualifying Shareholders.

Procedure for acceptance and payment or transfer

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles them to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Monday, 11 March 2013. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Forefront Group Limited – Provisional Allotment Account" and crossed "Account Payee Only".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:30 p.m. on Monday, 11 March 2013, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for excess application on the EAFs by the Qualifying Shareholders.

LETTER FROM THE BOARD

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 1 March 2013 with the Registrar who will cancel the original PAL and issue a new PAL in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, HKSCC Nominees Limited, who subscribes the Rights Shares on behalf of CCASS participants, is not subject to the above representations and warranties. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the subscriber that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to obtain permission of the offering of the Rights Shares or the distribution of the Prospectus Documents in any jurisdiction other than Hong Kong. Accordingly, no person receiving a copy of this Prospectus, the PAL or the EAF in any jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdictions, such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. It is the responsibility of anyone outside Hong Kong wishing to make on his/its behalf an application for the Rights Shares to satisfy himself/itself as to the observance of the laws and regulations of all relevant jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that in doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

LETTER FROM THE BOARD

If the Underwriter exercises the rights to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk as soon as practicable thereafter.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders, any Rights Shares provisionally allotted but not accepted and aggregate fractional entitlements. Applications for excess Rights Shares may be made by completing the EAFs for application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for..

Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/her/its provisional allotment must complete and sign the enclosed EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong so as to be received by no later than 4:30 p.m. on Monday, 11 March 2013. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Forefront Group Limited – Excess Application Account" and crossed "Account Payee Only".

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

1. preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and

LETTER FROM THE BOARD

2. subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be 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 a smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of Rights Shares), and with board lot applications to be made on a best effort basis.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually.

Share certificates and refund cheques for Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, shares certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before 18 March 2013. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before 18 March 2013 by ordinary post to the applicants at their own risk.

Applicants will receive one share certificate for all the Rights Shares issued to him/her/it.

The first day of dealings in the Rights Shares in their fully-paid form is expected to be Tuesday, 19 March 2013.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

LETTER FROM THE BOARD

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 10,000 Shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Non-Qualifying Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following being fulfilled:

1. the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of and permission to deal in all the Rights Shares, in both nil-paid and fully-paid forms, by no later than the Business Date prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms respectively);

LETTER FROM THE BOARD

2. the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Directors (and all other documents required to be attached thereto) not later than the Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
3. the posting of the Prospectus Documents to the Qualifying Shareholders and the posting, to the extent reasonably practicable, of the Prospectus for information purposes only to the Non-Qualifying Shareholders; and
4. compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement.

In the event that the above conditions have not been fulfilled and/or waived in whole or in part by the Underwriter on or before 30 April 2013 (or such other date as the Underwriter and the Company may agree), all liabilities of the parties to the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party save for any antecedent breach of the Underwriting Agreement and the Rights Issue will not proceed.

UNDERWRITING ARRANGEMENT

The Underwriting Agreement

Date : 28 January 2013

Underwriter : Freeman Securities Limited

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the Latest Practicable Date, the Underwriter is a third party independent of the Company and its connected persons (as defined under the Listing Rules)

LETTER FROM THE BOARD

Total number of Rights Shares being underwritten by the Underwriter	:	The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite the Rights Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis, being 201,010,848 Rights Shares subject to the terms and conditions of the Underwriting Agreement
Commission	:	3.0% of the aggregate Subscription Price of the Underwritten Shares as determined on the Record Date

Termination of the Underwriting Agreement

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to 4:30 p.m. on the third Business Day after the Acceptance Date, if:

- (a) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (ii) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement, of a political, financial, economic, currency market or other nature (whether or not ejusdem generis with any of the foregoing) or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

LETTER FROM THE BOARD

- (iii) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
 - (iv) any act of god, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (vi) the commencement or taking by any third party of any litigation or claim or other action against any member of the Group which is or might be material to the Group taken as a whole; or
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the Cayman Islands, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it; or

LETTER FROM THE BOARD

- (d) the Company commits any material breach of or omits to observe any of the material obligations or material undertakings expressed to be assumed by it under the Underwriting Agreement; or
- (e) if, at or prior to the Latest Time for Termination:
 - (i) any material breach of any of the warranties or undertakings of the Company contained under the Underwriting Agreement comes to the knowledge of the Underwriter; or
 - (ii) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties of the Company contained under the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter,

the Underwriter shall be entitled by notice in writing to the Company prior to the Latest Time for Termination to elect to rescind the Underwriting Agreement.

Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES

The Shares have been dealt on an ex-rights basis from Friday, 8 February 2013. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 26 February 2013 to Wednesday, 6 March 2013 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or waived (as applicable) or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

LETTER FROM THE BOARD

Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from Tuesday, 26 February 2013 to Wednesday, 6 March 2013 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during such period will accordingly bear the risk that the Rights Issue could not become unconditional or does not proceed.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not conducted any fund raising exercise in the past 12 months immediately preceding the Latest Practicable Date.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment holding company, and through its subsidiaries and associated companies, is principally engaged in (i) the provision of logistic services in Hong Kong and the PRC; (ii) properties investments; (iii) securities trading; and (iv) money lending business.

The estimated net proceeds of the Rights Issue will be approximately HK\$47.75 million. Accordingly, the Company intends to apply approximately 30% of the net proceeds of the Rights Issue as general working capital for the existing businesses of the Group and/or approximately 70% of the net proceeds to finance any future investment when opportunities arise. As at the Latest Practicable Date, the Company has not yet entered, or proposed to enter, into any agreement, arrangement, understanding or undertaking, whether formal or informal and whether express or implied, and negotiation with an intention to acquire and/or dispose of or downsize the existing business of the Group.

The Board considers that it is prudent to finance the Group's long term growth by way of the Rights Issue which will not only strengthen the Group's capital base and enhance its financial position without increasing finance costs, but will also allow all Qualifying Shareholders the opportunity to participate in the growth of the Group through the Rights Issue at a price lower than the current market price of the Shares. The Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue:

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all the Qualifying Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholders takes up any of the Rights Shares and the Underwriter takes up the Rights Shares to the maximum extent	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors						
Mr. Yeung Ming Kwong (Note 1)	397,893	0.10%	596,839	0.10%	397,893	0.07%
Mr. Lam Yick Sing (Note 2)	2,400,000	0.60%	3,600,000	0.60%	2,400,000	0.40%
Underwriter	–	–	–	–	201,010,848	33.33%
Public Shareholders						
Public Shareholders	399,223,804	99.30%	598,835,706	99.30%	399,223,804	66.20%
Total	402,021,697	100.00%	603,032,545	100.00%	603,032,545	100.00%

Notes:

1. Mr. Yeung Ming Kwong is the chairman of the Company and executive Director.
2. Mr. Lam Yick Sing is an executive Director.
3. Pursuant to the Underwriting Agreement, the Underwriter undertakes that in the event that the Underwriter is required to take up the Rights Shares pursuant to its underwriting obligations:
 - a) The Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within meaning of the Takeovers Code) with it in the Company to exceed 29.9% or more of the issued share capital of the Company upon the completion of the Rights Issue; and
 - b) The Underwriter shall and shall cause the sub-underwriters to procure independent placees to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with upon completion of the Rights Issue.

Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
By order of the Board
FOREFRONT GROUP LIMITED
Yeung Ming Kwong
Chairman

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2009, 2010 and 2011 are disclosed in the annual reports of the Company for the years ended 31 December 2009 (pages 34 to 114), 2010 (pages 37 to 122) and 2011 (pages 31 to 106) respectively, which are published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.forefront.com.hk). The auditor of the Company has issued an unqualified audited opinion on the Group's financial statements for the financial years ended 31 December 2009, 2010 and 2011.

2. INDEBTEDNESS

At the close of business on 31 December 2012, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had pledged certain available-for-sale financial assets and held for trading investments with carrying value of HK\$434,762,000 to secure certain margin facilities amounting to HK\$219,381,000 obtained from certain financial institutions and securities brokers, of which none was utilised as at 31 December 2012.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities, as at the close of business on 31 December 2012, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases or finance lease commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, in the absence of unforeseeable circumstances and after taking into account the present financial resources of the Group, and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements for at least the next twelve months following the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

Save as disclosed in this Prospectus and the profit warning for the loss expected to record for year ended 31 December 2012, details of which are set out in the announcements of the Company dated 16 January 2013 and 24 January 2013, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2011, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. BUSINESS AND FINANCIAL REVIEW AND TRADING PROSPECTS

The Group has the following major business activities for the year ended 31 December 2011.

Business Review

Tianjin Motor Business

The Company through its indirect wholly-owned subsidiary, Crown Creation Limited, acquired 50% of the equity interest in 天津市凱聲汽車維修有限公司 (Tianjin Kai Sheng Automobile Service Co., Ltd.) (“**Tianjin Kai Sheng**”) since October 2007. Tianjin Kai Sheng and its subsidiaries engaged in the business of selling and distribution of Nissan motor vehicles, operation of the Nissan 4S shops, provision of heavy motor vehicle repair and maintenance services in the PRC.

On 21 September 2011, the Group disposed of its entire interest in Tianjin Kai Sheng through the disposal of Crown Creation Limited. Details of the disposal are set out in note 19 to the financial statements. For the financial year, Tianjin Motor Business contributed a profit of HK\$1.07 million to the Group up to the date of disposal.

Logistic Services

The Group through its indirect wholly-owned subsidiary invests 40% issued share capital of Golden Fame International Investments Group Limited (“**GFIIGL**”) since 13 September 2007. The Company’s interest in GFIIGL was treated as an interest in associates. GFIIGL provides various logistic services in Hong Kong and the PRC including third party logistics, freight forwarding, airline general sales agency, supply chain management, river trade shipping and terminal stevedoring. During the year, the overall performance of GFIIGL remain stable despite a weak economic recovery in North America, the fragile economic conditions in Europe, leading to stubbornly low international trade and cargo volume. The high fuel price also affected the performance of GFIIGL. A loss of approximately HK\$0.76 million was shared by the Group. Subject to the market trends and conditions, it is expected that the result of GFIIGL for the first half of 2012 will be stable.

As disclosed in the Company's annual report 2010 and interim report 2011, GFIIGL and its subsidiaries intended to list on the growth enterprise market of the Hong Kong Stock Exchange ("GEM").

Reference is also made to the Company's announcement dated 15 November 2011 that GFIIGL and its subsidiaries informed the Company that its application for listing on GEM postponed and it is expected that the application will be made in or around the first quarter of 2012.

Forestry Business

On 26 April 2010, the Company's indirectly wholly-owned subsidiary, Regent Square Limited, completed its acquisition of Richful Zone International Limited at a consideration of HK\$79.2 million. The consideration was satisfied by an issue of 330,000,000 shares of the Company at an issue price of HK\$0.24 per share to Mascotte Holdings Limited. Richful Zone International Limited and its subsidiary hold 50% of the interests in the concession rights and forestry contracts in respect of three pieces of forest lands located in Simao District, Puer City, Yunnan Province, the PRC, with a total site area of approximately 36,735 Chinese Mu. The concession rights and interest in the forest lands are expiring on January 2060. Since acquisition, the operation of the forest lands made no contribution to the Group after payment of management fee to the PRC's partner according to the concession contract dated 18 June 2007. In view of the current condition of the forest lands and market environments, it is expected that the operation of the forest lands will have profits contribution and appreciation in forest lands value, to the Group in the medium to long term spectrum. As at 31 December 2011, the fair value of the forestry rights attributable to the Group is stated at approximately HK\$67.5 million.

Investment in a Limited Partnership

On 17 August 2010, the Company's indirect wholly-owned subsidiary, Pan Fortune Investments Limited entered into an investors' subscription agreement to invest a total of US\$10,000,000 into a co-investment vehicle, a limited partnership, established for the purpose of acquiring control of the equity securities and loan receivables of an investee group which is a supplier of automotive components, supplying both original equipment manufacturers and the aftermarket. The investment was approved by independent shareholders at the extraordinary general meeting of the Company on 27 September 2010. In April 2011, the Group completed its investment by payment of the remaining investment balance of approximately HK\$17.28 million (US\$2,222,222.22). The investment represents 22.2% holdings on the limited partnership. The limited partnership is managed by AITS

Cayman Limited which is an affiliate of Unitas Capital Pte Ltd (“Unitas”). Unitas is one of the pioneers in large leveraged buyout transactions in Asia. Since inception in 1999, funds advised by Unitas have invested in excess of US\$2.3 billion in equity capital in 28 transactions across a broad range of industries and geographies. The Company plays a passive role on the investment and to keep the investment as available-for-sale financial assets.

On 21 September 2011, the Group disposed of its entire interest in the limited partnership through the disposal of Crown Creation Limited. Details of the disposal are set out in note 19 to the financial statements for the year 2011.

Trading of Securities

The Group invested its surplus cash in Hong Kong’s listed securities and unlisted securities as short-term investments. During the year, the European sovereign debt crisis, high unemployment rate in the United States and tighten monetary policy in China attributable to the volatility of the Hong Kong stock market. As a result, the Group recorded realised losses of approximately HK\$97.88 million from the disposal of certain securities and an unrealised loss of approximately HK\$346.73 million on the portfolio.

Money Lending Business

The Group has used part of its surplus cash through its indirect wholly-owned subsidiary, Forefront Finance Co., Limited to provide short-term loans to various borrowers. Those short-term loans normally carried interest rates of 2% per annum to 1% per month during the year. Within the financial year, the money lending business contributed HK\$11.52 million interest income to the Group. After the year-end date, a borrower defaulted his loan repayment together with the outstanding interests. The Group is taking legal action against the borrower to recover the outstanding loan, a provision against the defaulted principal and accrued interests amounting to HK\$19.26 million has been made in the financial statements for the year 2011.

During the year under review, a provision for bad and doubtful debts of HK\$89.40 million was written back due to repayment loans by borrowers.

Disposal of a subsidiary

On 21 September 2011, the Company's indirect wholly owned subsidiary, Loyal Fine Limited entered into the share purchase agreement to sell the entire issued share capital of Crown Creation Limited at the Consideration of HK\$100 million. Crown Creation Group held various investments which engaged in (i) the business of selling and distribution of Nissan motor vehicles, operation of the Nissan 4S shops, provision of heavy motor vehicle repair and maintenance services in the PRC (Tianjin Motor Business); (ii) manufacturing of carbon fiber in the PRC (Carbon Fiber Project was fully impaired in the Year 2009); (iii) development, management and operation of an e-ticketing system for railway passengers and related railway freight cargo services in the PRC (Investment in e-ticketing system in the PRC was fully impaired in the Year 2007); and (iv) co-investment in automotive components manufacturing (Investment in a Limited Partnership). The disposal contributed a gain of HK\$17.66 million to the Group's results for the year ended 31 December 2011. Details of the disposal are set out in note 19 to the financial statements for the year 2011.

Prospect

On 20 January 2012, Sino Wealthy Limited, an indirect wholly owned subsidiary of the Company entered into the note purchase agreement, pursuant to which the Quinella International Incorporated had conditionally agreed to sell and Sino Wealthy Limited had conditionally agreed to purchase the 2.5% unsecured bonds due 2014 in the aggregate principal amount of HK\$300 million issued by Mascotte Holdings Limited (Stock code: 136) at a total consideration of HK\$265 million. The acquisition was approved by the Shareholders at extraordinary general meeting of the Company on 2 March 2012. The notes offers an interest rate of 2.5% per annum on the outstanding principal amount, payable quarterly which provides stable interest income for the Group.

Save as disclosed above, the Company will continuously identify suitable investment opportunity and seeking acquisition of new business and assets where suitable opportunity arise.

1. UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET TANGIBLE
ASSETS OF THE GROUP

The following is an unaudited pro forma statement of consolidated net tangible assets of the Group which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Rights Issue as if they had been undertaken and completed on 30 June 2012. This statement has been prepared for illustrative purpose only and because of its nature, it may not give a true picture of the financial position of the Group on the completion of the Rights Issue.

Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2012	Estimated net proceeds from the Rights Issue <i>(Note ii)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company immediately after completion of the Right Issue <i>(Note iii)</i>	Unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 30 June 2012 <i>(Note iii)</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company immediately after completion of the Right Issue <i>(Note iv)</i>
<i>HK\$'000</i>	<i>HK'000</i>	<i>HK'000</i>	<i>HK\$</i>	<i>HK\$</i>
Right Issue of 201,010,848				
Rights Shares <i>(Note i)</i>	906,476	47,745	0.225	1.582

Note i) The Rights Issue of 201,010,848 Rights Shares is based on 402,021,697 @HK\$0.001 each Shares on the Record Date given that there has been no further issue of new Shares or repurchase of Shares from the date of Announcement to the Record Date. 402,021,697 Shares is calculated based on 4,020,216,977 @HK\$0.01 each issued shares of the Company as at 30 June 2012 after taking into account the share consolidation which had consolidated each 10 issued and unissued shares into 1 consolidated share in November 2012 (the "Share Consolidation").

Note ii) The estimated net proceeds from the Rights Issue is calculated on 201,010,848 Rights Shares to be issued at the Subscription Price of HK\$0.25 per Rights Share, after the deduction of the estimated related expenses of approximately HK\$2,508,000.00.

Note iii) The number of shares used for the calculation of the unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 30 June 2012 is based on 4,020,216,977 shares @HK\$0.01 each of the Company in issue as at 30 June 2012 which has not taken into account the Share Consolidation effected in November 2012.

Note iv) The number of shares used for the calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company as at 30 June 2012 immediately after completion of the Rights Issue is based on 603,032,545 Shares which represent the sum of 402,021,697 Shares (which has taken into account the Share Consolidation effected in November 2012) on the Record Date given that there has been no further issue of new Shares or repurchase of Shares from the date of Announcement to the Record Date and 201,010,848 Rights Shares expected to be issued on the completion of the Rights Issue.

Note v) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2012.

**2. LETTER ON THE UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED
NET TANGIBLE ASSETS OF THE GROUP**

22 February 2013

The Directors
Forefront Group Limited
Room 1103, China United Centre
28 Marble Road
North Point
Hong Kong

Dear Sirs,

ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

We report on the unaudited pro forma financial information of Forefront Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 29 and 30 under the heading of "Unaudited Pro Forma Financial Information of the Group" ("Unaudited Pro Forma Financial Information") in the Appendix II of the Company's prospectus dated 22 February 2013 (the "Prospectus") in connection with the proposed rights issue (the "Rights Issue") of the Company. The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company (the "Directors") for illustrative purposes only to provide information about how the Rights Issue might have affected the financial information of the Group as at 30 June 2012. The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages 29 and 30 to the Prospectus.

Respective Responsibilities of the Directors and Reporting Accountants

It is the responsibility solely of the Directors to prepare the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion solely to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “*Accountants’ Reports on Pro Forma Financial Information in Investment Circulars*” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 June 2012 or any future date.

Opinion

In our opinion:

- a. the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- b. such basis is consistent with the accounting policies of the Group; and
- c. the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue were and are expected to be as follows:

(a) As at the Latest Practicable Date:

<i>Authorised share capital</i>	<i>HK\$</i>
<u>5,000,000,000</u> Shares of HK\$0.001 each	<u>5,000,000,000</u>
<i>Issued share capital</i>	<i>HK\$</i>
<u>402,021,697</u> Shares of HK\$0.001 each	<u>402,021.70</u>

(b) Immediately upon completion of the Rights Issue:

<i>Rights Shares to be issued</i>	<i>HK\$</i>
<u>201,010,848</u> Shares of HK\$0.001 each	<u>201,010.85</u>
<i>Shares in issue immediately upon completion of the Rights Issue</i>	<i>HK\$</i>
<u>603,032,545</u> Shares of HK\$0.001 each	<u>603,032.55</u>

All of the Shares and the Rights Shares in issue and to be issued (when fully paid) rank and will rank *pari passu* with each other in all respects, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Rights Shares in issue and to be issued are or will be listed on the Main Board of the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options, or warrants in issue which confer any right to subscribe for, convert or exchange into Shares, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option and there were no arrangements under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long Position in the Shares

Name of Directors	Capacity	Beneficial interest in Shares	Total number of Shares	Approximate percentage of aggregate interests to total issued share capital
Yeung Ming Kwong	Beneficial owner	397,893	397,893	0.10%
Lam Yick Sing	Beneficial owner	2,400,000	2,400,000	0.60%

As at the Latest Practicable Date, no options over Shares have been granted to the current Directors under the Share Option Schemes of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

(a) Long positions in the Shares

Name	Capacity	Number of Shares	Approximate percentage of shareholding
			<i>(Note 2)</i>
HEC Capital Limited	Interest of controlled corporation	39,723,546 <i>(Note 1)</i>	9.88

Notes:

- (1) These Shares are held by Murtsa Capital Management Limited which is a wholly owned subsidiary of HEC Capital Limited.
- (2) The percentage of shareholding in the Company is calculated by reference to the number of Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, no person (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or any options in respect of such capital.

5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, there were no contracts or arrangements in which a Director was materially interested and significant in relation to the business of the Group. As at the Latest Practicable Date, none of the Directors has, directly or indirectly, any interest in any assets which have since 31 December 2011 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice, which are contained in this Prospectus:

Name	Qualification
Mazars CPA Limited ("Mazars")	Certified Public Accountants

As at the Latest Practicable Date, Mazars did not have any direct or indirect shareholdings in any member of the Group, or any right (whether legal enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to the Company or any of its subsidiaries, respectively, since 31 December 2011, being the date to which the latest published audited consolidated financial statements of the Group were made up.

Mazars has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion therein of its reports and references to its name in the form and context in which they appear.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contracts with the Company or any other member of the Group (excluding contracts expiring or determinable by the Company within a year without payment of any compensation (other than statutory compensation)).

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

9. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date and are or may be material:

1. a subscription agreement dated 6 May 2011 entered into between Hennabun Capital Group Limited (“Hennabun”) as the issuer and the Company as the subscriber in relation to the subscription of 18,000,000 Hennabun Shares at the subscription price in aggregate sum of HK\$108 million;
2. a restructuring agreement dated 24 June 2011 entered into among Excel Way Investments Limited (“Excel Way”), Mr. Fok Hei Yu and Mr. Roderick John Sutton, as the joint and several liquidator of Excel Way and HK Tian Hua-Excel Way Ltd as investor in relation to the restructuring proposal;
3. a sale and purchase agreement dated 21 September 2011 entered into between Loyal Fine Limited as the vendor, being a wholly-owned subsidiary of the Company, and Pleasure Trade Limited as the purchaser in relation to the disposal of the entire issued shares in Crown Creation Limited at the consideration of HK\$100 million;
4. a note purchase agreement dated 20 January 2012 entered into between Sino Wealthy Limited as the purchaser, being an indirect wholly-owned subsidiary of the Company, and Quinella International Incorporated as the vendor in relation to the acquisition of the 2.5% unsecured bonds due 2014 in the aggregate principal amount of HK\$300 million issued by Mascotte Holdings Limited (Stock code: 136) at a total consideration of HK\$265 million;

5. a conditional sale and purchase agreement dated 8 June 2012 entered into between Regent Square Limited as the vendor, being an indirect wholly-owned subsidiary of the Company, and Profit Garden Global Limited as the purchaser, being an indirect wholly-owned subsidiary of Heritage International Holdings Limited (Stock Code: 412) in relation to the disposal of the entire issued shares in Richful Zone International Limited and the shareholder's loan at a consideration of HK\$50 million; and
6. the Underwriting Agreement.

10. CORPORATION INFORMATION

Registered office	P.O. Box 309, Ugland House South Church Street, George Town, Grand Cayman, Cayman Islands British West Indies
Head office and principal place of business in Hong Kong	Room 1103, 11/F., China United Centre 28 Marble Road North Point Hong Kong
Company Secretary	Mr. Chui Kark Ming, <i>FCCA</i>
Underwriter	Freeman Securities Limited Room 1601, 16/F, China United Centre 28 Marble Road North Point Hong Kong
Legal advisers to the Company in relation to the Rights Issue	<i>(As to Hong Kong Law)</i> Shum & Co. Solicitors Suite 2801-03 & 06, 28/F., China United Centre 28 Marble Road North Point Hong Kong

	<p><i>(As to Cayman Islands Law)</i> Conyers Dill & Pearman Cricket Square Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands</p>
Authorised representatives	<p>Mr. Yeung Ming Kwong Room 1103, 11/F China United Centre 28 Marble Road North Point Hong Kong</p> <p>Mr. Chui Kark Ming Room 1103, 11/F China United Centre 28 Marble Road North Point Hong Kong</p>
Auditor	<p>Mazars CPA Limited Certified Public Accountants 42nd Floor, Central Plaza, 18 Harbour Road Wanchai Hong Kong</p>
Branch share registrar and transfer office of the Company in Hong Kong	<p>Tricor Tengis Limited 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai Hong Kong</p>
Principal banker	<p>Standard Chartered Bank (Hong Kong) Limited 15th Floor Standard Chartered Tower 388 Kwun Tong Road Kwun Tong Hong Kong</p>

PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

(a) Name and address of Executive Directors and Non-Executive Directors

Name	Address
<i>Executive Directors</i>	
Mr. Yeung Ming Kwong (<i>Chairman</i>)	Room 1103, 11/F., China United Centre 28 Marble Road North Point Hong Kong
Ms. Lo Oi Kwok, Sheree	Room 1103, 11/F., China United Centre 28 Marble Road North Point Hong Kong
Mr. Lam Yick Sing	Room 1103, 11/F., China United Centre 28 Marble Road North Point Hong Kong
Mr. Wen Louis	Room 1103, 11/F., China United Centre 28 Marble Road North Point Hong Kong
Mr. Zhuang You Dao	Room 1103, 11/F., China United Centre 28 Marble Road North Point Hong Kong

Independent Non-executive Directors

Mr. Chung Yuk Lun

Room 2201, 22/F.,
China United Centre
28 Marble Road
North Point
Hong Kong

Ms. Lam Yan Fong, Flora

Room A, 19/F
Harbour Commercial Building
No. 122-124 Connaught Road
Central
Hong Kong

Mr. Pak William Eui Won

31/F.,
China United Centre
28 Marble Road
North Point
Hong Kong

(b) Profiles of Directors and senior management***Executive Directors:****Mr. Yeung Ming Kwong*

Mr. Yeung Ming Kwong, aged 54, joined the Company on 26 April 2007. Mr. Yeung is the Chairman of the Company, formerly an executive director and CEO of Kai Yuan Holdings Limited, (stock code: 1215; formerly known as Wah Lee Resources Holdings Limited) and an executive director of Goldwiz Holdings Limited (delisted on 8 September 2008, stock code: 586). He has over 20 years of experience in import and export trading and investment business in the PRC. Mr. Yeung also holds directorship in major subsidiaries of the Company.

Ms. Lo Oi Kwok, Sheree

Ms. Lo Oi Kwok, Sheree, aged 44, joined the Company on 26 April 2007. She holds an EMBA from Cheung Kong Graduate School of Business and a Bachelor's Degree of Arts from York University, Canada. She has over 10 years of experience in business development and investment. She was an executive director of Goldwiz Holdings Limited (delisted on 8 September 2008, stock code: 586) from May 2006 to January 2007. She also holds directorships in major subsidiaries of the Company.

Mr. Lam Yick Sing

Mr. Lam Yick Sing, aged 53, joined the Company on 4 June 2010. He had been a civil servant in Hong Kong for over 20 years. Mr. Lam was a senior administrative manager of Forefront International (Hong Kong) Limited, which is a wholly-owned subsidiary of the Company, from June 2007 to May 2008. He was an executive director of Tack Fiori International Group Limited (Stock code: 928) (formerly known as Tack Fat Group International Limited).

Mr. Wen Louis

Mr. Wen Louis, aged 78, joined the Company on 1 September 2006. He holds a Bachelor of Engineering degree from City University of New York and was executive Director of Forefront International (Hong Kong) Limited (“FIHK”) from 1993 to 1997 and general manager of FIHK since August 2005. Mr. Wen has extensive experience in engineering, marketing and advertising from previous position at J. Walter Thompson Co. and Dow Jones International Marketing Service in the United States. Mr. Wen is also an independent non-executive director of Willie International Holdings Limited (stock code: 273) effective from 22 April 2009.

Mr. Zhuang You Dao

Mr. Zhuang You Dao, aged 60, joined the Company on 29 August 2007. He graduated from The Institute of Operation Management of China (中國經營管理學院) majoring in corporate management. Mr. Zhuang has over 30 years of experience in the automobile industry. He is the Chairman of Tianjin Kai Sheng Automobile Service Co., Ltd. (天津市凱聲汽車維修有限公司) and general manager of Tianjin Jinri Automobile Sale & Service Company Limited (天津津日汽車銷售服務有限公司). Mr. Zhuang is a senior consultant of Shenzhen Lan-you Technology Co., Ltd. (深圳聯友科技有限公司), a developer of automobile industry management software. Mr. Zhuang is an executive of the Chamber of Industry and Commerce of Tianjin Xiqing District, a special procurator of the First Branch of the People’s Procuratorate of Tianjin Municipality and a representative of the 14th Session of People’s Congress of Tianjin Hedong District.

Independent Non-Executive Directors:*Mr. Chung Yuk Lun*

Mr. Chung Yuk Lun, aged 52, joined the Company on 26 April 2007. He is a fellow member of the Association of Chartered Certified Accountants, a member of The Hong Kong Institute of Certified Public Accountants and an Associated Chartered Accountants (England and Wales). Mr. Chung has over 20 years of experience in finance and project investment. He is an executive director and Chairman of Radford Capital Investment Limited (Stock code: 901), an executive director of Ming Fung Jewellery Group Limited (Stock code: 860) and an independent non-executive director of Heritage International Holdings Limited (stock code: 412) and Dragonite International Limited (stock code: 329).

Ms. Lam Yan Fong, Flora

Ms. Lam Yan Fong, Flora (“Ms. Lam”), aged 37, joined the Company on 18 May 2007. She obtained a Bachelor Degree in Law from the University of Hong Kong in 1999 and a Postgraduate Certificate in Laws in 2001. Ms. Lam is a practicing solicitor in Hong Kong. Ms. Lam joined Messrs. Lam & Co. in 2007 and is now a partner of the firm. Ms. Lam is an independent non-executive director of Tack Fiori International Group Limited (stock code: 928) (formerly known as Tack Fat Group International Limited) and Radford Capital Investment Limited (Stock code: 901).

Mr. Pak William Eui Won

Mr. Pak William Eui Won, aged 33, joined the Company on 28 December 2009. He is currently a director of HEC Capital Limited and subsidiaries and formerly a director of Hennabun Capital Group Limited. He holds a Master of Laws degree in U.S. taxation from the University of Washington School of Law, a Juris Doctor’s degree from the University of British Columbia Faculty of Law and an Economics and Commerce degree from the University of British Columbia Faculty of Arts. Mr. Pak is an attorney licensed by the New York State Bar and is a member of the New York State Bar Association and the American Bar Association. He was a lawyer in the investment funds practice at White & Case’s New York and Hong Kong offices. He has substantive experience in the establishment and representation of both U.S. and international private investment funds including private equity funds, hedge funds, real estate funds, distressed funds and hybrid funds.

11. MISCELLANEOUS

The English text of this Prospectus shall prevail over the Chinese text in case of inconsistencies.

12. EXPENSES

The expenses in relation to the Rights Issue (including the underwriting fee, printing, registration, legal, accounting and documentation charges) are estimated to be approximately HK\$2.50 million and will be payable by the Company.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto, the written consent referred to in the paragraph headed “Expert and Consent” in this appendix, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance.

14. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the following documents for inspection during business hours on any weekdays (except Saturdays, Sundays and public holidays) at the registered office of the Company at Room 1103, 11/F., China United Centre, 28 Marble Road, North Point, Hong Kong from the date of this Prospectus up to and including 14 March 2013.

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the three years ended 31 December 2009, 31 December 2010 and 31 December 2011 respectively;
- (c) the interim report of the Company for the six months ended 30 June 2012;
- (d) the letter on the unaudited pro forma financial information of the Group issued by Mazars CPA Limited set out in appendix II to this Prospectus;
- (e) the material contracts disclosed in the section headed “Material Contracts” in this Appendix;
- (f) the written consents from the experts as referred to in the section headed “Expert and Consent” in this Appendix; and
- (g) this Prospectus.