

**FOREFRONT INTERNATIONAL HOLDINGS LTD:
WILL SCANIA AB BE ABLE TO RESCUE THIS COMPANY ?**

With Scania AB of Sweden, becoming the largest single shareholder of publicly listed [Forefront International Holdings Ltd](#) (Code: 885, Main Board, The Stock Exchange of Hongkong Ltd), the situation at Forefront International Holdings Ltd has taken a decided turn for the better and, in all likelihood, this company will be saved, after all.

On June 2, 2005, Forefront International Holdings Ltd announced that Scania had paid \$HK15 million in order to acquire an additional 50 million shares in the Issued and Fully Paid-Up Share Capital of company, bringing up its stake to about 16.23 percent.

The previous day, June 1, 2005, it had been announced that Mr Arne Karlsson had been appointed as a Non-Executive Director of Forefront International Holdings Ltd, with immediate effect.

Mr Arne Karlsson is 60 years old and serves on the Board of Directors of a number of Scania's subsidiaries, as well as being Chairman of Scania Korea Ltd, Scania South Africa Ltd, Scania Maroc SA, Scania Estonia, Scania Latvia and Scania Lithuania.

He, also, serves as a director of a Swedish bank – Svenska Handelsbanken – so that, presumably, he knows something about finance.

Scania's cooperation with Forefront International Holdings Ltd is essential because, among other things, this bus manufacturer is a principal supplier to Forefront International Holdings Ltd.

Scania served notice on Forefront International Holdings Ltd on April 19, 2005, that it plans to terminate its existing licensing arrangements with effect from April 26, 2006.

However, in view of the fact that Scania has just paid another \$HK15 million in order to increase its equity stake in Forefront International Holdings Ltd from 4.76 percent to 16.23 percent, it is a foregone conclusion that another new licensing agreement will be worked out, permitting Forefront International Holdings Ltd to continue as the agent in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) of some of Scania's products.

The shareholding structure of Forefront International Holdings Ltd, today, is about:

The International Commercial Bank of China Company Ltd	15.00 percent
Scania Trade Development AB (a subsidiary of Scania AB)	16.23 percent
Nexgen Capital Ltd	11.13 percent
Hsieh Tsung Wen	10.30 percent
Public Shareholders	<u>47.34 percent</u>

TOTAL : 100
PERCENT

Prior to Scania increasing its stake in Forefront International Holdings Ltd, the shareholding structure was:

The International Commercial Bank of China Company Ltd	15.00 percent
Hua Nan Commercial Bank Ltd*	11.47 percent
Scania Trade Development AB (a subsidiary of Scania AB)	4.76 percent
Nexgen Capital Ltd	11.13 percent
Hsieh Tsung Wen	10.30 percent
Public Shareholders	<u>47.34</u> percent
TOTAL : <u>100</u> <u>PERCENT</u>	

* See the section of this analysis, labelled: The Writ

The increased investment by Scania in Forefront International Holdings Ltd is the first, positive sign of a prospective turnabout at this cash-starved company, whose Principals have ... [CLICK TO ORDER FULL ARTICLE](#)

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