
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular 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 shares in Forefront Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the 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.

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FOREFRONT GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

福方集團有限公司*

(Stock Code: 0885)

(1) PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS
(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
(3) REFRESHMENT OF SCHEME MANDATE LIMIT
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of the Company to be held on Wednesday, 2 June 2010 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. is set out on pages 19 to 24 of this circular.

Whether or not you are able to attend the annual general meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting should you so wish.

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong on Wednesday, 2 June 2010 at 9:00 a.m. or any adjournment thereof
“Articles”	the articles of association of the Company
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Forefront Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the director(s) of the Company
“General Mandates”	the Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted at the AGM to Directors to exercise all the powers of the Company to allot, issue and deal with Shares up to 20% of the issued share capital of the Company as at the date of passing such resolution
“Latest Practicable Date”	23 April 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general and unconditional repurchase mandate proposed to be granted at the AGM to the Directors to exercise all the powers of the Company to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing such resolution
“Scheme Mandate Limit”	the maximum number of Shares which may be issued and allotted upon the exercise of all options shares which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed scheme mandate limit by Shareholders
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted by the Company on 7 August 2007
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	a subsidiary within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%” 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

(Acting Chairman)

Ms. Lo Oi Kwok, Sheree

Mr. Ting Wing Cheung, Sherman

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

30 April 2010

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS
(2) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
(3) REFRESHMENT OF SCHEME MANDATE LIMIT**

INTRODUCTION

The purpose of this circular is to provide you with information regarding, inter alia, (i) the re-election of retiring Directors, (ii) the General Mandates to issue and repurchase Shares, and (iii) the refreshment of the Scheme Mandate Limit.

* For identification purpose only

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

As at Latest Practicable Date, the Board currently consists of eight Directors, namely Mr. Yeung Ming Kwong, Ms. Lo Oi Kwok, Sheree, Mr. Ting Wing Cheung, Sherman, Mr. Wen Louis and Mr. Zhuang You Dao, being the executive Directors, and Mr. Chung Yuk Lun, Ms. Lam Yan Fong, Flora, and Mr. Pak William Eui Won, being the Independent Non-executive Directors.

According to Article 99 of the Article of Association Mr. Pak William Eui Won who was newly appointed to the Board as Independent Non-executive Director will retire at the AGM. He, being eligible, has offered himself for re-election at the forthcoming AGM.

Mr. Wen Louis and Mr. Zhuang You Dao, who were executive Directors and Mr. Chung Yuk Lun who was Independent Non-executive Director will also retire at the AGM by rotation pursuant to the Article 116 of the Article of Association and, being eligible, offer themselves for re-election at the forthcoming AGM.

Details of Mr. Wen Louis, Mr. Zhuang You Dao, Mr. Chung Yuk Lun and Mr. Pak William Eui Won, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix I to this Circular.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting held on 22 May 2009, the Shareholders approved, amongst other things, an ordinary resolution to grant to the Directors a mandate to issue Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution. At the date of the passing of that resolution, there were 1,136,357,820 Shares in issue and the Directors were granted a mandate to allot and issue up to 227,271,564 new Shares. As announced by the Company dated 18 June 2009, the Company entered into a placing agreement in relation to the placing of up to 227,270,000 Shares at a price of HK\$0.25 per Share. The placing was completed on 25 June 2009. The mandate was then utilised. The Placing raised net proceeds of approximately HK\$55.33 million. The Company had applied the proceeds towards general working capital of the Group, such use being as intended as set out in the announcement of the Company dated 18 June 2009.

LETTER FROM THE BOARD

At the extraordinary general meeting of the Company held on 11 August 2009, the Shareholders approved, among other things, an ordinary resolution to grant the Directors a mandate to issue, allot and deal with up to 337,988,721 Shares, which is equivalent to 20% of the then issued share capital of the Company. As announced by the Company on 20 August 2009 that the Company entered into a placing agreement in relation to the placing of up to 337,988,721 Shares which was then completed on 9 September 2009 and 337,988,721 Shares had been successfully placed and the net proceeds from the placing amounted to approximately HK\$36.16 million which had been applied for the general working capital of the Group. As a result, the mandate is fully utilized.

At the extraordinary general meeting of the Company held on 23 March 2010, the Shareholders approved, among other things, an ordinary resolution to grant the Directors a mandate to issue, allot and deal with up to 390,988,080 Shares, which is equivalent to 20% of the then issued share capital of the Company. As announced by the Company on 9 April 2010 that the Company entered into a share purchase agreement with Mascotte Holdings Limited. Pursuant to the agreement, Regent Square Limited, an indirect wholly-owned subsidiary of the Company, conditionally agreed to purchase the entire issued share capital of Richful Zone International Limited at a consideration of HK\$79,200,000 which will be satisfied by the issue of 330,000,000 Shares at a HK\$0.24 (“Mascotte Consideration Shares”) by utilizing the mandate. Richful Zone International Limited through its wholly-owned subsidiary, Allied Loyal International Investments Limited, owns 50% of concession rights and interest in respect of three parcels of forest land, which is located in Simao District, Puer City, Yunnan Province, the PRC, with a total site area of approximately 36,735 Chinese Mu. As of the Latest Practicable Date, the agreement is still pending for completion. The latest completion date for the share purchase agreement is on or before 5 July 2010.

As announced by the Company on 24 March 2010, the Company entered into the sale and purchase agreement in relation to acquiring sale share and the shareholder’s loan of Perfect Time Investments Limited from Grace Shine Investments Limited (a non-wholly owned subsidiary of Willie International Holdings Limited) at a consideration of HK\$100,000,000 to be satisfied by the issue and allotment of 400,000,000 Shares at HK\$0.25 (“Perfect Time Consideration Shares”). Perfect Time Investments Limited holds the land use right of a 20-storey composite building known as Jifu Plaza with a gross floor area of 10,521.32 square meters situated at No. 103 Shibapu Road Liwan District, Guangzhou City, Guangdong Province, the PRC. Completion of the acquisition and the issue of the Perfect Time Consideration Shares is conditional upon, among other things, the Shareholders’ approval at the upcoming extraordinary general meeting of the Company at 28 April 2010. Details of the acquisition can be referred to in the Company’s announcement dated 24 March 2010 and circular dated 13 April 2010. The latest completion date for the sale and purchase agreement is on or before 15 June 2010.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has granted options which will entitle their holders to subscribe for convertible securities of up to an aggregate amount of HK\$71.5 million. Upon full conversion of the aforementioned convertible securities at a conversion price of HK\$0.339 per Share, 210,914,444 Shares will be issued (“Conversion Shares”), represent 10.44% of the issued share capital of the Company at the Latest Practicable Date.

If the Mascotte Consideration Shares, Perfect Time Consideration Shares and the Conversion Shares are issued in full so that a total of 940,914,444 Shares are issued before AGM, the total issued share capital of the company will be increased to a total of 2,960,751,597 Shares assuming no Shares other than the Mascotte Consideration Shares, Perfect Time Consideration Shares and the Conversion Shares will be issued or repurchased since the Latest Practicable Date and prior to the AGM. The Directors will then be allowed to allot, issue under the Issue Mandate a maximum of 592,150,319 Shares, being 20% of the would be enlarged issued share capital of the Company as the date of the resolution granting the mandate.

As at the Latest Practicable Date, there were 2,019,837,153 Shares in issue. Assuming no issue or repurchase of Shares from the Latest Practicable Date to the date of approving the resolution in relation to the Issue Mandate, the Company would be allowed to allot, issue under the Issue Mandate a maximum of 403,967,430 Shares, being 20% of the entire issued share capital of the Company as at the date of passing the resolution.

At the AGM, ordinary resolutions will therefore be proposed to the Shareholders to consider and, if though fit, approve and grant the Directors a general and unconditional mandate to issue further Shares and to exercise the powers of the Company to repurchase Shares as follows:

- a. to allot, issue and otherwise deal with additional Shares up to 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Issue Mandate;
- b. to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing of the resolution approving this Repurchase Mandate; and
- c. subject to passing of (a) & (b) above, an ordinary resolution will also be proposed for the Shareholders to consider to extend the general mandate granted to the Directors to allot, issue and deal with additional Shares by the addition amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted under (b) above, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution.

LETTER FROM THE BOARD

The ordinary resolution proposed to Shareholders in relation to the Issue Mandate and Repurchase Mandate at the AGM may only continue in force until: (a) the conclusion of the next annual general meeting of the Company following passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions, (b) the expiration of the period within which the next general meeting of the Company is required by the Articles or any applicable law to be held, or (c) revoked or varied by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in appendix II to this circular. The information in the explanatory statement is to provide you with information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

REFRESHMENT OF SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company on 6 August 2007. Subject to the issue of circular by the Company which complies with the Listing Rules and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Scheme Mandate Limit may be refreshed to the extent not exceed 10% of the Shares in issue as at the date of the such Shareholders' approval.

The Company previous adopted a share option scheme on 2 August 2002 which was terminated on 6 August 2007. Apart from the Share Option Scheme, the Company had no other share option scheme in force as at the Latest Practicable Date.

The Scheme Mandate Limit was refreshed at the extraordinary general meeting held on 23 March 2010 of a 10% of total issued share capital of the Company, pursuant to which the Directors were authorised to grant options to subscribe for up to a maximum number of 195,494,040 Shares. Since the approval of the refreshed Scheme Mandate Limit on 23 March 2010 and up to the Latest Practicable Date, no option Shares has been granted under the Share Option Scheme. As at the Latest Practicable Date, there are no outstanding options granted under Share Option Scheme or any other schemes of the Company which remain unexercised, lapsed or cancelled. Save for the Share Option Scheme, the Company has no other share option schemes as at the Latest Practicable Date.

As announced by the Company on 9 April 2010 that the Company entered into a share purchase agreement with Mascotte Holdings Limited. Pursuant to the agreement, Regent Square Limited, an indirect wholly-owned subsidiary of the Company, conditionally agreed to purchase the entire issued share capital of Richful Zone International Limited at a consideration of HK\$79,200,000 which will be satisfied by the issue of 330,000,000 Shares at a HK\$0.24 ("Mascotte Consideration Shares"). Richful Zone International Limited through its wholly-owned subsidiary, Allied Loyal International Investments Limited, owns 50% of concession rights and interest in respect of three parcels of forest land, which is located in Simao District, Puer City, Yunnan Province, the PRC, with a total site area of approximately 36,735 Chinese Mu. As of the Latest Practicable Date, the agreement is still pending for completion. The latest completion date for the share purchase agreement is on or before 5 July 2010.

LETTER FROM THE BOARD

As announced by the Company on 24 March 2010, the Company entered into the sale and purchase agreement in relation to acquiring sale share and the shareholder's loan of Perfect Time Investments Limited from Grace Shine Investments Limited (a non-wholly owned subsidiary of Willie International Holdings Limited) at a consideration of HK\$100,000,000 to be satisfied by the issue and allotment of 400,000,000 Shares at HK\$0.25 ("Perfect Time Consideration Shares"). Perfect Time Investments Limited holds the land use right of a 20-storey composite building known as Jifu Plaza with a gross floor area of 10,521.32 square meters situated at No.103 Shibapu Road Liwan District, Guangzhou City, Guangdong Province, the PRC. Completion of the acquisition and the issue of the Perfect Time Consideration Shares is conditional upon, among other things, the Shareholders' approval at the upcoming extraordinary general meeting of the Company at 28 April 2010. Details of the acquisition can be referred to in the Company's announcement dated 24 March 2010 and circular dated 13 April 2010. The latest completion date for the sale and purchase agreement is on or before 15 June 2010.

As at the Latest Practicable Date, the Company has granted options which will entitle their holders to subscribe for convertible securities of up to an aggregate amount of HK\$71.5 million. Upon full conversion of the aforementioned convertible securities at a conversion price of HK\$0.339 per Share, 210,914,444 Shares will be issued ("Conversion Shares"), represent 10.44% of the issued share capital of the Company at the Latest Practicable Date.

If the Mascotte Consideration Shares, Perfect Time Consideration Shares and the Conversion Shares are issued in full so that a total of 940,914,444 Shares are issued before AGM, the total issued share capital of the company will be increased to a total of 2,960,751,597 Shares assuming no Shares other than the Mascotte Consideration Shares, Perfect Time Consideration Shares and the Conversion Shares will be issued or repurchased since the Latest Practicable Date and prior to the AGM. The maximum number of Shares to be issued under the Share Option Scheme is 296,075,159 Shares, being 10% of the would be enlarged issued share capital of the Company as the date of the resolution to granting the mandate.

As at the Latest Practicable Date, there were 2,019,837,153 Shares in issue. Assuming no issue or repurchase of Shares from the Latest Practicable Date to the date of approving the resolution in relation to the refreshment of Scheme Mandate Limit, the maximum number of Shares to be issued under the Share Option Scheme that can be granted by the Company under the 10% refreshed limit would be 201,983,715 Shares.

LETTER FROM THE BOARD

Pursuant to the Share Option Scheme and the Listing Rules, the Scheme Mandate Limit shall in no event results in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company exceed 30% of the Shares in issue from time to time.

The refreshment of the Scheme Mandate Limit is conditional upon:

- a. the passing of an ordinary resolution to approve the refreshment of the Scheme Mandate Limit by the Shareholders at the AGM; and
- b. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of passing the resolution of refreshment of Scheme Mandate Limit at the AGM) which may fall to be issued upon the exercise of the options to be granted under the Share Option Scheme and any other share option schemes of the Company.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued and allotted upon the exercise of the options that may be granted under the refreshed Scheme Mandate Limit.

AGM

A notice convening the AGM is set out on pages 19 to 24 of this circular. The AGM will be held at 9:00 a.m. on Wednesday, 2 June 2010 at 30/F., China United Centre, 28 Marble Road, North Point, Hong Kong for the purpose of considering and, if though fit, approved the resolutions as set out therein.

A form of proxy for use at the AGM is also enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible, and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof if they so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of Shareholders at the AGM will be taken by poll and the Company will announce the results of the poll in the manner set out in Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

RESPONSIBILITY OF THE DIRECTORS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with respect to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

The Board considers that the proposed resolutions in relation to the General Mandates and refreshment of Scheme Mandate Limit are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
Forefront Group Limited
Yeung Ming Kwong
Executive Director

The biographical details of the retiring Directors eligible for re-election at the AGM are set out as follows:

EXECUTIVE DIRECTORS

Mr. Wen Louis, aged 75, holds a Bachelor of Engineering degree from City University of New York, USA. An Executive Director of Forefront International (Hong Kong) Limited (“FIHK”) from 1993 to 1997 and the 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 Services 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.

Save as disclosed above, Mr. Wen did not previously hold any directorship in other listed public companies in the last three years.

No service contract exists between Mr. Wen and the Company. Mr. Wen has no fixed term of service with the Company and is subject to retirement by rotation and re-election in accordance with the Company’s Articles and Memorandum of Association. He is entitled to a monthly basic salary of HK\$25,000, which was determined with reference to his experience and the amount of time spent in the affair of the Company.

Save as disclosed above, he has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As of the Latest Practicable Date, the spouse of Mr. Wen has interest in 7,500 shares of the Company which has been disclosed under the SFO.

Mr. Zhuang You Dao, aged 57, 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. Chairman of Tianjin Kai Sheng Automobile Service Co., Ltd (天津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.

Save as disclosed above, Mr. Zhuang did not previously hold any directorship in other listed public companies in the last three years.

No service contract exists between Mr. Zhuang and the Company. Mr. Zhuang has no fixed term of service with the Company and is subject to retirement by rotation and re-election in accordance with the Company's Articles and Memorandum of Association. He is entitled to a monthly basic salary of HK\$10,000, which was determined with reference to his experience and the amount of time spent in the affair of the Company.

Save as disclosed above, he has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As of the Latest Practical Date, Mr. Zhuang holds 50% of the RMB7.5 million registered capital of Tianjin Kai Sheng Automobile Service Co. Ltd under corporate interest and 45% of RMB6.75 million registered capital of Tianjin Jinri Automobile Sale & Service Co., Ltd under beneficial interest. These two companies are associated companies of the Company.

Save as disclosed above, he has no interest on the shares of the Company which has been disclosed under the SFO.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chung Yuk Lun, aged 49, is a fellow member of the Association of Chartered Certified Accountants, an associate 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), an independent non-executive director of Heritage International Holdings Limited (stock code: 412) and an independent non-executive director of Ruyan Group (Holdings) Limited (stock code: 329).

Save as disclosed above, Mr. Chung did not previously hold any directorship in other listed public companies in the last three years.

No service contract exists between Mr. Chung and the Company. Mr. Chung has no fixed term of service with the Company and is subject to retirement by rotation and re-election in accordance with the Company's Articles and Memorandum of Association. He is entitled to a director fee of HK\$120,000 per annum, which was determined with reference to his experience and the amount of time spent in the affair of the Company.

Save as disclosed above, he has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As of the Latest Practicable Date, he has no interest on the shares of the Company which has been disclosed under the SFO.

Mr. Pak William Eui Won, aged 30, is currently working in 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. Investors in such funds have included U.S. tax exempt and ERISA investors, U.S. taxable investors and various other non-U.S. investors. He has acted for fund sponsors, fund managers, placement agents and investors from the United States, Europe, the Middle East and Asia. Prior to joining White & Case, Mr. Pak worked in the mergers & acquisitions department in the San Francisco office of Ernst & Young where he provided transactional tax advisory services for mergers and acquisitions, reorganizations, and spin-offs involving private equity funds, U.S. corporations, partnerships, LLCs and foreign entities.

Save as disclosed above, Mr. Pak did not previously hold any directorship in other listed public companies in the last three years.

No service contract exists between Mr. Pak and the Company. Mr. Pak has no fixed term of service with the Company and is subject to retirement by rotation and re-election in accordance with the Company's Articles and Memorandum of Association. He is entitled to a director fee of HK\$120,000 per annum, which was determined with reference to his experience and the amount of time spent in the affair of the Company.

Save as disclosed above, he has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As of the Latest Practicable Date, he has no interest on the shares of the Company which has been disclosed under the SFO.

Save as disclosed above, the above retiring Directors confirm that there is no other information is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. There are no other matters relating to the re-election of the retiring Directors that need to be brought to the attention of the Shareholders.

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to maximum of 10% of the issued share capital of the Company as at the date of approval for the Repurchase Mandate.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility of the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained herein the omission of which would make any statement contained in this circular misleading.

SHARE CAPITAL

As announced by the Company on 9 April 2010 that the Company entered into a share purchase agreement with Mascotte Holdings Limited. Pursuant to the agreement, Regent Square Limited, an indirect wholly-owned subsidiary of the Company, conditionally agreed to purchase the entire issued share capital of Richful Zone International Limited at a consideration of HK\$79,200,000 which will be satisfied by the issue of 330,000,000 Shares at a HK\$0.24 (“Mascotte Consideration Shares”). Richful Zone International Limited through its wholly-owned subsidiary, Allied Loyal International Investments Limited, owns 50% of concession rights and interest in respect of three parcels of forest land, which is located in Simao District, Puer City, Yunnan Province, the PRC, with a total site area of approximately 36,735 Chinese Mu. As of the Latest Practicable Date, the agreement is still pending for completion. The latest completion date for the share purchase agreement is on or before 5 July 2010.

As announced by the Company on 24 March 2010, the Company entered into the sale and purchase agreement in relation to acquiring sale share and the shareholder’s loan of Perfect Time Investments Limited from Grace Shine Investments Limited (a non-wholly owned subsidiary of Willie International Holdings Limited) at a consideration of HK\$100,000,000 to be satisfied by the issue and allotment of 400,000,000 Shares at HK\$0.25 (“Perfect Time Consideration Shares”). Perfect Time Investments Limited holds the land use right of a 20-storey composite building known as Jifu Plaza with a gross floor area of 10,521.32 square meters situated at No.103 Shibapu Road Liwan District, Guangzhou City, Guangdong Province, the PRC. Completion of the acquisition and the issue of the Perfect Time Consideration Shares is conditional upon, among other things, the Shareholders’ approval at the upcoming extraordinary general meeting of the Company at 28 April 2010. Details of the acquisition can be referred to in the Company’s announcement dated 24 March 2010 and circular dated 13 April 2010. The latest completion date for the sale and purchase agreement is on or before 15 June 2010.

As at the Latest Practicable Date, the Company has granted options which will entitle their holders to subscribe for convertible securities of up to an aggregate amount of HK\$71.5 million. Upon full conversion of the aforementioned convertible securities at a conversion price of HK\$0.339 per Share, 210,914,444 Shares will be issued (“Conversion Shares”), represent 10.44% of the issued share capital of the Company at the Latest Practicable Date.

If the Mascotte Consideration Shares, Perfect Time Consideration Shares and the Conversion Shares are issued in full so that a total of 940,914,444 Shares are issued before AGM, the total issued share capital of the company will be increased to a total of 2,960,751,597 Shares assuming no Shares other than the Mascotte Consideration Shares, Perfect Time Consideration Shares and the Conversion Shares will be issued or repurchased since the Latest Practicable Date and prior to the AGM. The Directors will then be allowed under the Share Repurchase Mandate to repurchase a maximum of 296,075,159 Shares, being 10% of the would be enlarged issued share capital of the Company as the date of the resolution granting the mandate.

As at the Latest Practicable Date, the number of Shares in issue was 2,019,837,153. Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 201,983,715 Shares, being 10% of the entire issued share capital of the Company as at the date of passing the resolution.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Shares repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole. As compared with the position of the Company in its financial statements for the year ended 31 December 2009 (being the most recent published audited accounts), the Directors consider that there might be an immaterial adverse impact on the working capital or the gearing position of the Company in the event that the proposed repurchases were to be made in full during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level which in the opinion of the Directors are from time to time appropriate for the Company.

FUNDING OF REPURCHASES

Repurchases to be made pursuant to the Repurchase Mandate would be financed out of funds legally available for the purpose in accordance with the Articles and the applicable laws of the Cayman Islands.

EFFECT OF THE TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases when the Company exercise its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (within the term's meaning under the Takeovers Code), depending on the level of increase of the Shareholders' interests, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code.

So far as the Directors are aware based on the register maintained by the Company under the Securities and Future Ordinance (cap 571 of the Laws of Hong Kong) as at the Latest Practicable Date:

If the Mascotte Consideration Shares are issued before the date of AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 234,983,715 shares, being 10% of then issued share capital of the Company. The shareholding of Mascotte Holdings Limited would be increased from 14.05% to 15.06% if the Directors shall exercise the Repurchase Mandate in full.

If the Perfect Time Consideration Shares are issued before the date of AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 241,983,715 shares, being 10% of then issued share capital of the Company. The shareholding of Willie International Holdings Limited would be increased from 19.87% to 22.07% if the Directors shall exercise the Repurchase Mandate in full.

The exercise of the Repurchase Mandate in full will not give rise to any obligation on shareholder (and parties acting in concert with it) to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise any of the Repurchase Mandate to such an extent that will result in a requirement of any of the Shareholders or any other persons to make a general offer under the Takeovers Code or the number of Shares in the hands of public falling below 25% or as from time to time prescribed minimum percentage under the Listing Rules.

SHARE PRICE

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in previous twelve months immediately preceding the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2009		
April	0.586 ^A	0.453 ^A
May	0.629 ^A	0.546 ^A
June	0.786 ^A	0.531 ^A
July	0.579 ^A	0.469 ^A
August	0.503 ^A	0.351 ^A
September	0.396 ^A	0.351 ^A
October	0.367 ^A	0.343 ^A
November	0.374 ^A	0.337 ^A
December	0.367 ^A	0.287 ^A
2010		
January	0.335	0.289 ^A
February	0.385	0.220
March	0.255	0.215
April (up to the Latest Practicable Date)	0.260	0.224

A: *adjusted for share consolidation on 23 December 2009.*

SHARE REPURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the previous six months immediately preceding the Latest Practicable Date.

GENERAL

To the best of their knowledge and having made all reasonable enquiries, neither the Directors nor any of their associates have any present intention to sell Shares to the Company or its subsidiaries if the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will only exercise power of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

NOTICE OF ANNUAL GENERAL MEETING



FOREFRONT GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

福方集團有限公司*

(Stock Code: 0885)

NOTICE IS HEREBY GIVEN that the annual general meeting of Forefront Group Limited (the “**Company**”) will be held at 30/F., China United Centre, 28 Marble Road, North Point, Hong Kong on Wednesday, 2 June 2010 at 9:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2009 and the reports of the directors and auditors of the Company for the year ended 31 December 2009.
2. To re-elect Mr. Wen Louis as an executive Director.
3. To re-elect Mr. Zhuang You Dao as an executive Director.
4. To re-elect Mr. Chung Yuk Lun as an independent non-executive Director of the Company.
5. To re-elect Mr. Pak William Eui Won as an independent non-executive Director of the Company.
6. To authorise the board of directors of the Company to fix the remuneration of the Directors.
7. To re-appoint Messrs. Mazars CPA Limited as auditor of the Company and its subsidiaries and authorise the board of directors of the Company to fix their remuneration.

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

To consider as special business and, if thought fit, pass with or without modification, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

8. “**THAT:**

- (a) subject to paragraph (c) of this resolution, pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the Capital of the Company (“**Shares**”) or securities convertible into Shares, options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements or options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval given in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of aforesaid powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval given in paragraph (a) and (b) of this resolution, otherwise than pursuant to:
 - i. a Rights Issue (as hereinafter defined); or
 - ii. any issue of Shares upon exercise of the rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into Shares; or
 - iii. the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible persons of Shares or rights to acquire Shares; or
 - iv. any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares pursuant to the articles of association of the Company in force from time to time,

NOTICE OF ANNUAL GENERAL MEETING

shall not in total exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earlier of:
- i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or
 - iii. the passing of an ordinary resolution by the shareholders of the Company in the general meeting revoking or varying of the authority set out in this resolution.

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares at that date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

9. “**THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, subject to and in accordance with rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the articles of association of the Company and all applicable laws of the Cayman Islands and/or other applicable laws in this regards, be and the same is hereby generally and unconditional approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
 - (c) the aggregate nominal amount of the Shares repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
 - (d) for the purpose of this resolution, “**Relevant Period**” means the period from the time of the passing of this resolution until whichever is the earlier of:
 - i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
 - iii. the passing of an ordinary resolution by the shareholders of the Company in the general meeting revoking and varying the authority set out in this resolution.”
10. “**THAT** conditional upon the passing of Resolutions numbered 8 and 9 set out in the notice of the annual general meeting at which this resolution is considered, the general mandate granted to the Directors to allot, issue or otherwise deal with additional Shares pursuant to Resolution numbered 8 above of which this resolution forms part be and is hereby extended by the addition thereto of the aggregate nominal amount of the Shares which may be repurchased or agreed to be repurchased by the Company under the authority granted pursuant to the Resolution numbered 9 above, provided that such amount of Shares so repurchased by the Company shall not exceed 10% of aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

11. “**THAT**

- (a) subject to and conditional upon Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares in the share capital of the Company to be issued pursuant to the exercise of options which may be granted under the Refreshed Scheme Mandate Limit (as defined below), the refreshment of the limit in respect of the granting of share options under the existing share option scheme of the Company adopted on 2 May 2003 up to a new 10% limit of the number of Shares in issue at the date of the passing of this resolution (the “**Refreshed Scheme Mandate Limit**”) be approved; and
- (b) any director of the Company be and is hereby authorised to do all such acts and execute all such documents to effect the Refreshed Scheme Mandate Limit.”

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

Hong Kong, 30 April 2010

Notes:

- (1) Any member of the Company entitled to attend and vote at the Annual General Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her and so appointed shall have the same right as the member to speak at the meeting. A member who is the holder of two or more shares of the Company may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the annual general meeting is enclosed herewith.
- (3) The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or other person duly authorised.
- (4) The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be lodged at the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting (as the case may be) and in default the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the Annual General Meeting or at any adjourned meeting (as the case may be) should they so wish.

NOTICE OF ANNUAL GENERAL MEETING

- (5) Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members in respect of such share shall be accepted to exclusion of the votes of the other joint holders.

As at the date of this notice, the executive Directors are Mr. Yeung Ming Kwong, Ms. Lo Oi Kwok, Sheree, Mr. Ting Wing Cheung, Sherman, Mr. Wen Louis and Mr. Zhuang You Dao, and the independent non-executive Directors are Mr. Chung Yuk Lun, Ms. Lam Yan Fong, Flora and Mr. Pak William Eui Won.