
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 or registered institution in securities, 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, the licensed securities dealer or registered institution in securities 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 Friday, 13 May 2011 at 30th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 9:00 a.m. is set out on pages 16 to 21 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

28 March 2011

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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 Friday, 13 May 2011 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”	21 March 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“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
“Rights Issue”	the proposed issue by way of rights of eight rights Shares for every Share in issue and held on a record date at a subscription price of HK\$0.125 per rights Share, further details of which are disclosed in the announcements of the Company dated 25 November 2010, 9 February 2011, 4 March 2011 and 7 March 2011 and the circular of the Company dated 17 December 2010
“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\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted by the Company on 6 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. 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, Uglund 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

28 March 2011

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 consisted of eight Directors, namely Mr. Yeung Ming Kwong, Ms. Lo Oi Kwok, Sheree, Mr. Lam Yick Sing, 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. Lam Yick Sing who was newly appointed the Board as executive Director will retire at the AGM. He, being eligible, has offered himself for re-election at the forthcoming AGM.

Mr. Yeung Ming Kwong and Ms. Lo Oi Kwok, Sheree, who were executive Directors and Ms. Lam Yan Fong, Flora 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. Yeung Ming Kwong, Ms. Lo Oi Kwok, Mr. Lam Yick Sing, and Ms. Lam Yan Fong, Flora, 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 2 June 2010, 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 2,810,825,233 shares of HK\$0.10 each in the share capital of the Company in issue and the Directors were granted a mandate to allot and issue up to 562,165,046 new shares. The number of new shares that may be allotted and issued under the mandate granted at the annual general meeting on 2 June 2010 was reduced to 56,216,504 Shares immediately after the capital reorganization of the Company which became effective after 4:00 p.m. on 7 March 2011.

As at the Latest Practicable Date, the mandate is still not yet be utilized.

At the extraordinary general meeting of the Company held on 10 January 2011, the Shareholders approved, among other things, an ordinary resolution to approve the Rights Issue.

LETTER FROM THE BOARD

Following completion of the Rights Issue, the total issued share capital of the Company will be increased to a total of 3,654,742,707 Shares, which is calculated on the basis of 406,082,523 Shares in issue as at the Latest Practicable Date and the 3,248,660,184 new Shares to be issued under the Rights Issue.

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.

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.

Assuming that no Shares will be issued (other than those under the Rights Issue) or repurchased since the Latest Practicable Date and prior to the AGM, the Directors will then be allowed to allot and issue under the Issue Mandate a maximum of 730,948,541 Shares, being 20% of the would be enlarged issued share capital of the Company as the date of the resolution granting the Issue Mandate.

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.

LETTER FROM THE BOARD

REFRESHMENT OF SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company on 6 August 2007. Subject to 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. 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 annual general meeting held on 2 June 2010, pursuant to which the Directors were authorised to grant options to subscribe for up to a maximum number of 281,082,523 shares, which represented 10% of the total issued share capital of the Company as at the date of that meeting. The Scheme Mandate Limit was then reduced to 28,108,252 Shares immediately after the capital reorganization of the Company which became effective after 4:00 p.m. on 7 March 2011.

Since the approval of the refreshed Scheme Mandate Limit on 2 June 2010 and up to the Latest Practicable Date, no options have been granted, exercised, lapsed or cancelled under the Share Option Scheme. There are no options under Share Option Scheme or any other schemes of the Company granted since the date of adoption of such schemes which remain outstanding or unexercised as at the Latest Practicable Date.

Following completion of the Rights Issue, the total issued share capital of the Company will be increased to a total of 3,654,742,707 Shares, which is calculated on the basis of 406,082,523 Shares in issue as at the Latest Practicable Date and the 3,248,660,184 new Shares to be issued under the Rights Issue. Assuming that no Shares will be issued (other than those under the Rights Issue) or repurchased since the Latest Practicable Date and prior to the AGM, the Directors will then be allowed to allot and issue under the Scheme Mandate Limit a maximum of 365,474,270 Shares, being 10% of the would be enlarged issued share capital of the Company as the date of the resolution granting the Scheme Mandate Limit.

The Directors believe that the Share Option Scheme is a cost effective way to provide incentives to, and recognize the contributions of, the Group's employees and other selected grantees. As the Board considers that the refreshment of the Scheme Mandate Limit will provide the Company with greater flexibility in granting options to eligible persons under the Share Option Scheme, the Board decides to seek the approval from the Shareholders at the AGM to refresh the Scheme Mandate Limit.

Pursuant to the Share Option Scheme and the Listing Rules, the Scheme Mandate Limit shall in no event result 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 exceeding 30% of the Shares in issue from time to time.

LETTER FROM THE BOARD

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 16 to 21 of this circular. The AGM will be held at 9:00 a.m. on Friday, 13 May 2011 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, Wanchai, 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.

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.

LETTER FROM THE BOARD

RESPONSIBILITY OF THE DIRECTORS

This circular, 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 circular 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 circular misleading.

RECOMMENDATION

The Board considers that the proposed resolutions in relation to the re-election of retiring Directors, renewal of 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. Yeung Ming Kwong (*Note 1*), aged 52, joined the Company on 26 April 2007. Mr. Yeung is the Acting Chairman of the Company, formerly executive director and CEO of Kai Yuan Holdings Limited, stock code: 1215 (formerly known as Wah Lee Resources Holdings Limited) and 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. He also holds directorships in major subsidiaries of the Company.

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

No service contract has been entered into between Mr. Yeung and the Company. Mr. Yeung has no fixed term of service with the Company and is subject to retirement by rotation and re-election in accordance with the Articles. He is entitled to a monthly basic salary of HK\$35,000, which was determined with reference to his experience and the amount of time spent in the affairs 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, Mr. Yeung has an interest in 442,104 Shares within the meaning of Part XV of the SFO.

Ms. Lo Oi Kwok, Sheree (*Note 1*), aged 42, 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.

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

APPENDIX I PARTICULARS OF RETIRING DIRECTORS FOR RE-ELECTION

No service contract has been entered into between Ms. Lo and the Company. Ms. Lo has no fixed term of service with the Company and is subject to retirement by rotation and re-election in accordance with the Articles. She is entitled to a monthly basic salary of HK\$35,000, which was determined with reference to her experience and the amount of time spent in the affairs of the Company.

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

As of the Latest Practicable Date, she has no interest in the Shares within the meaning of Part XV of the SFO.

Mr. Lam Yick Sing, aged 51, 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 Fat Group International Limited (Provisional Liquidators Appointed) (stock code: 928) (“Tack Fat”).

Mr. Lam was an executive director of Tack Fat with effect from 24 June 2008 to 9 September 2008. On 11 September 2008, Tack Fat filed a petition for voluntary winding up and Bank of America N.A. filed an application to support the winding up petition against Tack Fat. Based on the information published by Tack Fat, Tack Fat is principally engaged in investment holding and its subsidiaries are principally engaged in the apparel retailing business in the PRC. Tack Fat was incorporated in Cayman Islands on 12 March 2001 and the shares of Tack Fat were listed on the Stock Exchange of Hong Kong Limited.

Save as disclosed herein and as of the date of the Latest Practicable Date, Mr. Lam has no knowledge of the amount involved in, the current position as well as the possible outcome of Tack Fat’s provisional liquidation process.

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

Note 1: Please refer to the regulatory announcement dated 30 September 2010 pursuant to which Mr. Yeung Ming Kwong and Ms. Lo Oi Kwok, Sheree were publicly censured by the Stock Exchange for certain breaches of the Listing Rules.

APPENDIX I PARTICULARS OF RETIRING DIRECTORS FOR RE-ELECTION

No service contract has been entered into between Mr. Lam and the Company. Mr. Lam has no fixed term of service with the Company and is subject to retirement by rotation and re-election in accordance with the Articles. He is entitled to a monthly basic salary of HK\$30,000, which was determined with reference to his duties, responsibilities and the prevailing market conditions.

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. Lam has an interest in 3,000,000 Shares within the meaning of Part XV of the SFO.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Lam Yan Fong, Flora, aged 35, joined the Company on 18 May 2007. She holds 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.

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

No service contract has been entered into between Ms. Lam and the Company. Ms. Lam has no fixed term of service with the Company and is subject to retirement by rotation and re-election in accordance with the Articles. She is entitled to a director fee of HK\$120,000 per annum, which was determined with reference to her experience and the amount of time spent in the affairs of the Company.

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

As of the Latest Practicable Date, she has no interest in the shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above or as set out in the Company's annual report 2010, 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.

SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 406,082,523. Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 40,608,252 Shares, being 10% of the entire issued share capital of the Company as at the date of passing the resolution.

Following completion of the Rights Issue, the total issued share capital of the Company will be increased to a total of 3,654,742,707 Shares, which is calculated on the basis of 406,082,523 Shares in issue as at the Latest Practicable Date and the 3,248,660,184 new Shares to be issued under the Rights Issue. Assuming that no Shares will be issued (other than those under the Rights Issue) 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 365,474,270 Shares, being 10% of the would be enlarged issued share capital of the Company as the date of the resolution granting the Share Repurchase Mandate.

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 2010 (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, there is no Shareholder holding 10% or more of the voting rights of the Company. 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>
2010		
March	2.5500A	2.1500A
April	2.6000A	2.1300A
May	2.2600A	1.1900A
June	1.3900A	1.1000A
July	1.4200A	1.0000A
August	1.3400A	0.9900A
September	1.3800A	0.9600A
October	1.3900A	0.9900A
November	1.2800A	0.3700A
December	0.4200A	0.3400A
2011		
January	0.3900A	0.3000A
February	0.3400A	0.1900A
March (up to the Latest Practicable Date)	0.2200A	0.1900A

A: adjusted for share consolidation after 4:00 p.m. on 7 March 2011.

SHARE REPURCHASE MADE BY THE COMPANY

On 10 February 2011, the Company purchased a total of 3 shares from the open market at a price of HK\$0.021 per share or a total consideration of HK\$0.063. All the shares purchased have been cancelled pursuant to the Listing Rules.

Save as disclosed above, the Company has not purchased any of its shares or 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 Friday, 13 May 2011 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 2010 and the reports of the directors and auditor of the Company for the year ended 31 December 2010.
2. To re-elect Mr. Yeung Ming Kwong as an executive director of the Company.
3. To re-elect Ms. Lo Oi Kwok, Sheree as an executive director of the Company.
4. To re-elect Mr. Lam Yick Sing as an executive director of the Company.
5. To re-elect Ms. Lam Yan Fong, Flora 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 authorize the board of directors of the Company to fix their remuneration.

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

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

ORDINARY RESOLUTIONS

A. **“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\$0.01 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

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- 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,

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).”

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B. “**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\$0.01 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;
- (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.”

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- C. “**THAT** conditional upon the passing of the resolutions numbered 8A and 8B set out in the notice of the annual general meeting at which this resolution is considered, the general mandate granted to the directors of the Company and for the time being in force to exercise the power of the Company to allot, issue or otherwise deal with additional shares of the Company (the “**Shares**”) pursuant to the resolution numbered 8A 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 8B 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.”
9. To consider as special business and, if thought fit, pass with or without modification, the following resolution as ordinary resolution:–

“**THAT**

conditional upon Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the shares of the Company (the “**Shares**”) to be issued upon the exercise of options under the share option scheme adopted by the Company on 6 August 2007 (the “**Share Option Scheme**”), the existing scheme mandate limit in respect of the granting of options to subscribe for shares of the Company under the Share Option Scheme be refreshed and renewed provided that the total number of Shares which may be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10% of the shares of the Company in issue as at the date of passing this resolution (the “**Refreshed Limit**”) and that the directors of the Company be and are hereby authorised, subject to compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, to grant options under the Share Option Scheme up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options.”

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

Hong Kong, 28 March 2011

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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.
- (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. Lam Yick Sing, 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.