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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)

**DISCLOSEABLE TRANSACTION –
ACQUISITION OF PROPERTIES**

The Board is pleased to announce that on 3 August 2007, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered in two S&P Agreements with the Vendor to acquire (i) Property 1 under the First S&P Agreement at a consideration of HK\$15,798,900 and (ii) Property 2 under the Second S&P Agreement at a consideration of HK\$13,341,900.

The Acquisitions in aggregate constitutes a discloseable transaction for the Company under chapter 14.06 of the Listing Rules. A circular containing further particulars of the Acquisitions will be dispatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

Trading in the Shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 26 July 2007 pending the release of the announcement in relation to a mass transit transportation ticketing project. Trading in Shares of the Company remains suspended pending the release of an announcement in relation to the mass transit transportation ticketing project.

* For identification purposes only

The Board is pleased to announce that on 3 August 2007, Purchaser, an indirect wholly-owned subsidiary of the Company, entered in two S&P Agreements with the Vendor to acquire (i) Property 1 under the First Agreement at a consideration of HK\$15,798,900 and (ii) Property 2 under the Second Agreement at a consideration of HK\$13,341,900. The Acquisitions are executed through the sales agent.

THE FIRST S&P AGREEMENT

Date: 3 August 2007

Parties:

- 1) Hostbest Limited, an indirect wholly-owned subsidiary of the Company, being the Purchaser; and
- 2) Get Rich Enterprises Limited, being the Vendor.

The Vendor is a company incorporated in Hong Kong and its principal activity is property development. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

Property to be acquired:

Property 1

Property 1 is located at Units 1 to 3, 22/F, China United Centre, No. 28 Marble Road, North Point, Hong Kong. The gross floor area of the Property 1 is approximately 4,051 square feet. It will be delivered to the Purchaser upon Completion subject to and with the benefit of the existing tenancy with a monthly rental of HK\$38,485 (exclusive of rates, management fee and air-conditioning charges), expiring on 17 January 2008 with an option to renew for a further term of three years. The property is currently used by The Financial Secretary Incorporated.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the tenant and its ultimate beneficial owner(s) are Independent Third Parties.

Consideration:

The consideration payable by the Purchaser to the Vendor for the acquisition of the Property 1 is HK\$15,798,900 in cash which will be financed by internal resources of the Group and/or bank financing. The consideration shall be paid in the following manner:

- (a) an initial deposit in the sum of HK\$782,045 has been paid by the Purchaser upon signing of the provisional agreement for sale and purchase of Property 1 dated 27 July 2007;
- (b) a further deposit of HK\$797,845 shall be paid by the Purchaser on or before 3 August 2007; and
- (c) the remaining balance of HK\$14,219,010 shall be paid by the Purchaser on or before 27 August 2007.

The consideration has been arrived at after arm's length negotiations between the Purchaser and the Vendor after taking into account a valuation report of an independent valuer named B.I. Appraisals Limited in respect of the value of the Property 1 at HK\$16,200,200 as at 3 August 2007. The independent valuer adopted the direct comparison approach for the valuation. The Directors consider the terms of the First Agreement to be fair and reasonable.

THE SECOND S&P AGREEMENT

Date: 3 August 2007

- Parties:
- 1) Hostbest Limited, an indirect wholly-owned subsidiary of the Company, being the Purchaser; and
 - 2) Get Rich Enterprises Limited, being the Vendor.

The Vendor is a company incorporated in Hong Kong and its principal activity is property development. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

Property to be acquired:***Property 2***

Property 2 is located at Units 5 to 9, 22/F, China United Centre, No. 28 Marble Road, North Point, Hong Kong. The gross floor area of the Property 2 is approximately 3,421 square feet. It will be delivered to the Purchaser upon Completion subject to and with the benefit of the existing tenancy with a monthly rental of HK\$37,631 (exclusive of rates, management fee, air-conditioning charges, cleaning service charges and other outgoings), expiring on 7 December 2007. The property is currently used by Methodist Holiness Church Limited.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the tenant and its ultimate beneficial owner(s) are Independent Third Parties.

Consideration:

The consideration payable by the Purchaser to the Vendor for the acquisition of the Property 2 is HK\$13,341,900 in cash which will be financed by internal resources of the Group and/or bank financing. The consideration shall be paid in the following manner:

- (d) an initial deposit in the sum of HK\$660,424 has been paid by the Purchaser upon signing of the provisional agreement for sale and purchase of Property 2 dated 27 July 2007;
- (e) a further deposit of HK\$673,766 shall be paid by the Purchaser on or before 3 August 2007; and
- (f) the remaining balance of HK\$12,007,710 shall be paid by the Purchaser on or before 27 August 2007.

The consideration has been arrived at after arm's length negotiations between the Purchaser and the Vendor after taking into account a valuation report of an independent valuer named B.I. Appraisals Limited in respect of the value of the Property 2 at HK\$13,800,000 as at 3 August 2007. The independent valuer adopted the direct comparison approach for the valuation. The Directors consider the terms of the Second Agreement to be fair and reasonable.

COMPLETION OF THE S&P AGREEMENTS

Subject to the Vendor having proved good title to the Property 1 and the Property 2, Completion will take place on or before 27 August 2007.

REASON FOR THE ACQUISITION

The Group is principally engaged in the trading and distribution of Scania motor trucks, coaches and vehicle accessories, and the provision of heavy motor vehicle repair and maintenance services.

The Company intends to use the Properties as the office of the PRC enterprise that may become the Company's partner to develop and operate the mass transit ticketing project as well as other railway transportation and logistics related business.

GENERAL

The Acquisitions in aggregate constitutes a discloseable transaction for the Company under chapter 14.06 of the Listing Rules. A circular containing further particulars of the Acquisitions will be dispatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

Trading in the Shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 26 July 2007 pending the release of the announcement in relation to a mass transit transportation ticketing project. Trading in Shares of the Company remains suspended pending the release of an announcement in relation to the mass transit transportation ticketing project.

DEFINITIONS

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

“Acquisitions”	the acquisitions of Properties contemplated under the Agreements
“Company”	Forefront Group Limited, a company incorporated in Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange

“Completion”	Completion of the sale and purchase of the Properties pursuant to the S&P Agreements
“Director(s)”	director(s) of the Company
“First S&P Agreement”	the S&P agreement for sale and purchase of Property 1 dated 3 August 2007
“Group”	the Company and its subsidiaries
“Independent Third Parties”	persons who are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Properties”	Property 1 and Property 2
“Property 1”	Unit 1 to 3, 22/F, China United Centre, No. 28 Marble Road, North Point, Hong Kong
“Property 2”	Unit 5 to 9, 22/F, China United Centre, No. 28 Marble Road, North Point, Hong Kong
“Purchaser”	Hostbest Limited, a company incorporated in British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Second S&P Agreement”	the S&P agreement for sale and purchase of Property 2 dated 3 August 2007
“Share(s)”	share(s) of a nominal value of HK\$0.10 each in the issued share capital of the Company

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“S&P Agreements”	the First S&P Agreement and the Second S&P Agreement
“Vendor”	Get Rich Enterprises Limited, a company incorporated in Hong Kong

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

Hong Kong, 3 August 2007

As at the date of this announcement, the Board comprises of seven executive directors namely Ms. Yau Shum Tek, Cindy, Mr. Louis Wen, Ms. Lo Oi Kwok, Sheree, Mr. Yeung Ming Kwong, Mr. Zhou Qi Jin, Mr. Ting Wing Cheung, Sherman and Mr. Lam Kwan Sing; and four independent non-executive directors namely Mr. Kwong Wai Tim, William, Mr. Chung Yuk Lun, Ms. Lam Yan Fong, Flora and Ms. Kristi L Swartz.