
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Foundation Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



FOUNDATION GROUP LIMITED

基業控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1182)

**PROPOSED ISSUE OF
SUBSCRIPTION SHARES, WARRANT AND ZERO COUPON NOTE**

A notice convening a special general meeting of Foundation Group Limited to be held at Room 1901, 19th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong on Monday, 29 January 2007 at 3:00 p.m. is set out on pages 21 to 23 of this circular. If you are not able to attend the special general meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Secretaries 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 the special 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 special general meeting or any adjournment of it, if you so wish.

* *For identification purposes only*

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RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular (other than that in relation to the Share and Warrant Subscriber) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

The sole director of the Share and Warrant Subscriber accepts full responsibility for the accuracy of the information contained in this circular (other than that in relation to the Company) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

DEFINITIONS

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

“%”	per cent.
“Announcement”	the announcement of the Company dated 22 December 2006 regarding the proposed issue of the Subscription Shares, the Warrant and the Note and the possible unconditional mandatory cash offer
“AUD”	Australian Dollars
“Board”	board of Directors
“Business Day”	a day on which trading of securities takes place on the Stock Exchange throughout its normal trading hours
“Bye-laws”	the bye-laws of the Company as may be amended from time to time
“Company”	Foundation Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are currently listed on the Stock Exchange
“Conversion Price”	the conversion price at which each Conversion Share will be issued upon a conversion of all or any part of the Note, being HK\$0.01 (subject to adjustment)
“Conversion Rights”	the rights attaching to the Note to convert the same or a part thereof into Conversion Shares
“Conversion Shares”	the Shares to be issued and allotted by the Company upon exercise by the holder of the Note of the Conversion Rights attached thereof
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“Exercise Period”	the three-year period from the date of the issue of the Warrant
“Exercise Price”	the sum payable in respect of each Share to which the registered holder of the Warrant will be entitled upon exercise of the subscription rights represented thereby, being HK\$0.01 per Share (subject to adjustment)

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“Independent Board Committee”	an independent board committee of the Board comprising the independent non-executive Directors, namely Mr. Chu Kar Wing, Dr. Chow King Wai and Mr. Tang Yiu Wing
“Independent Financial Adviser”	Wallbanck Brothers Securities (Hong Kong) Limited, a licensed corporation under the SFO, licensed to carry out types 4, 6 and 9 regulated activities (advising on securities, advising on corporate finance and asset management) under the SFO
“Independent Shareholders”	Shareholders other than the Share and Warrant Subscriber and parties acting in concert with it
“Latest Practicable Date”	10 January 2007, being the latest practicable date for ascertaining certain information for inclusion in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the third anniversary of the date of issue of the Note
“Mitsubishi UFJ”	Mitsubishi UFJ Securities (HK) Capital, Limited, a licensed corporation under the SFO, licensed to carry out types 1, 4, 6 and 9 regulated activities (dealing in securities, advising on securities, advising on corporate finance and asset management) under the SFO
“Note”	the redeemable convertible note in the principal amount of HK\$24,000,000 to be issued to the Note Subscriber on the date of Note Subscription Completion pursuant to the Note Subscription Agreement
“Note Long Stop Date”	30 June 2007 (or such other date as may be agreed between the Company and the Note Subscriber)
“Note Subscriber”	Super Bonus Management Limited, a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding

DEFINITIONS

“Note Subscription Agreement”	the conditional subscription agreement dated 19 December 2006 entered into between the Company and the Note Subscriber in relation to the issue and subscription of the Note
“Note Subscription Completion”	completion of the Note Subscription Agreement
“Noteholder”	holder of the Note
“Offer”	the possible unconditional cash offer for the Offer Shares by the Share and Warrant Subscriber at HK\$0.51 per Offer Share
“Offer Shares”	all existing issued Shares (other than those Shares already owned or agreed to be acquired by the Share and Warrant Subscriber and parties acting in concert with it)
“Public Float Maintenance Steps”	the steps that the Share and Warrant Subscriber will take after completion of the Share Subscription and the close of the Offer to ensure that an adequate number of the Subscription Shares shall be sold, placed or otherwise disposed of to independent third parties so that no less than 25% of the Company’s entire issued share capital as enlarged by the Share Subscription is held by the public in compliance with the Listing Rules
“PRC”	the Peoples’ Republic of China and for the purpose of this circular shall exclude Hong Kong, the Macao Special Administrative Region and Taiwan
“SFO”	Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be convened to approve, inter alia, the Share and Warrant Subscription Agreement and the Note Subscription Agreement, including the grant of a special mandate to issue and allot the Subscription Shares, the Warrant, the Note and the Conversion Shares, the notice of which is set out on pages 21 to 23 of this circular
“Share and Warrant Long Stop Date”	31 March 2007 (or such other date as may be agreed between the Company and the Share and Warrant Subscriber)
“Share and Warrant Subscriber”	Luck Continent Limited, a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding

DEFINITIONS

“Share and Warrant Subscription Agreement”	The conditional subscription agreement dated 19 December 2006 entered into between the Company and the Share and Warrant Subscriber in relation to the issue and subscription of the Subscription Shares and the Warrant
“Share and Warrant Subscription Completion”	the completion of the Share and Warrant Subscription Agreement
“Share Subscription Price”	the subscription price of each Subscription Share, being HK\$0.01
“Share Subscription”	the subscription of the Subscription Shares by the Share and Warrant Subscriber upon and subject to the terms and conditions of the Share and Warrant Subscription Agreement
“Share(s)”	ordinary share(s) of HK\$0.001 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	a total of 3,000,000,000 new Shares to be issued by the Company to the Share and Warrant Subscriber pursuant to the Share and Warrant Subscription Agreement
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Warrant(s)”	the unlisted warrant of the Company conferring right in its registered form to the holder thereof to subscribe for Shares at an initial exercise price of HK\$0.01 (subject to adjustment) at any time during the Exercise Period
“Warrant Shares”	the shares to be issued upon the exercise of the subscription rights attaching to the Warrant
“Warrant Subscription”	the subscription of the Warrant by the Share and Warrant Subscriber upon and subject to the terms and conditions of the Share and Warrant Subscription Agreement

For the purpose of this circular, unless otherwise indicated, Australian dollars have been converted into Hong Kong dollars using the rate of HK\$1: AUD0.1634.

LETTER FROM THE BOARD



FOUNDATION GROUP LIMITED

基業控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1182)

Executive Directors:

Wong Ching Ping, Alex

Lim Direk

Independent Non-executive Directors:

Chu Kar Wing

Chow King Wai

Tang Yiu Wing

Registered office:

Clarendon House,

2 Church Street,

Hamilton HM 11,

Bermuda

Principal Office:

Room 1901, 19th Floor,

Hutchison House,

10 Harcourt Road,

Central, Hong Kong

12 January 2007

To the Shareholders

Dear Sir or Madam,

PROPOSED ISSUE OF SUBSCRIPTION SHARES, WARRANT AND ZERO COUPON NOTE

INTRODUCTION

As announced by the Company on 22 December 2006, the Company entered into (i) the Share and Warrant Subscription Agreement with the Share and Warrant Subscriber and (ii) the Note Subscription Agreement with the Note Subscriber on 19 December 2006.

Pursuant to the Share and Warrant Subscription Agreement, the Company has agreed to issue to the Share and Warrant Subscriber (i) 3,000,000,000 Shares at a price of HK\$0.01 each Share; and (ii) unlisted Warrant conferring rights to subscribe up to HK\$6,000,000 in aggregate in cash for Shares at an initial subscription price of HK\$0.01 per Share (subject to adjustments).

Pursuant to the Note Subscription Agreement, the Company has agreed to issue to the Note Subscriber, the Note in an aggregate principal amount of HK\$24,000,000. The Note will be convertible into the Conversion Shares at the initial Conversion Price of HK\$0.01 per Share (subject to adjustments).

* For identification purposes only

LETTER FROM THE BOARD

Immediately following the completion of the Share Subscription, the Share and Warrant Subscriber will have acquired 3,000,000,000 Shares, representing approximately 97.17% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. Upon the completion of the Share Subscription, Mitsubishi UFJ on behalf of the Share and Warrant Subscriber will, pursuant to Rule 26 of the Takeovers Code, make an unconditional mandatory offer to acquire all the issued Shares (other than the Shares already owned or agreed to be acquired by the Share and Warrant Subscriber and parties acting in concert with it). The Offer, if and when made, will be unconditional in all respects. The proposed terms of the Offer are set out under the section headed "Possible Unconditional Mandatory Cash Offer" below.

The purpose of this circular is to provide you with further details of the Share Subscription, the issue of Warrant and the issue of the Note together with the notice of the SGM.

THE SHARE AND WARRANT SUBSCRIPTION AGREEMENT

Date

19 December 2006

Parties:

- (a) The Company, as the issuer of the Subscription Shares and Warrant; and
- (b) Luck Continent Limited (i.e. the Share and Warrant Subscriber), a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, neither the Share and Warrant Subscriber nor its beneficial owners are parties connected with or acting in concert with the Note Subscriber or any substantial shareholder, chief executive and/or directors of the Company and of its subsidiaries and their respective associates as defined in the Listing Rules.

Conditions Precedent

The Share and Warrant Subscription Completion is conditional upon, inter alia, the satisfaction of the following conditions:

- (a) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Subscription Shares and the Warrant Shares;
- (b) if so required, the Bermuda Monetary Authority having granted its consent to the issue of the Subscription Shares, the Warrant and the issue and allotment and free transferability of the Subscription Shares and the Warrant Shares;
- (c) the passing by the Shareholders at general meeting an ordinary resolution approving the Share and Warrant Subscription Agreement and the transactions contemplated thereunder;

LETTER FROM THE BOARD

- (d) the Share and Warrant Subscriber having been satisfied with the results of its due diligence investigations on the Group and written notice to that effect having been given to the Company within 30 days from the date of the Share and Warrant Subscription Agreement (or such other period of time as the Company and the Share and Warrant Subscriber may agree);
- (e) the warranties to be given by the Company remaining true and accurate and not misleading in all material respects as at the date of Share and Warrant Subscription Completion;
- (f) there shall not have occurred any material disruption or adverse change in the financial or capital markets generally, or in the markets for bank loan syndication or affecting the syndication or funding of bank loans (or the refinancing thereof) that may have an adverse impact on the Share and Warrant Subscriber's ability to consummate the transaction contemplated under the Share and Warrant Subscription Agreement on or prior to the date of Share and Warrant Subscription Completion; and
- (g) there shall not have occurred any change, or any development or event reasonably likely to involve a prospective change, in the condition (financial or otherwise), operations, business, prospects or properties of the Group, which is material and adverse on or prior to the date of Share and Warrant Subscription Completion.

If any of the above conditions precedent is not fulfilled (or, in respect of the conditions precedent set out in paragraphs (d) to (g) above, waived by the Share and Warrant Subscriber in writing) on or before the Share and Warrant Long Stop Date, the Share and Warrant Subscription Agreement shall lapse and become null and void and both the Company and the Share and Warrant Subscriber will be released from all obligations under the Share and Warrant Subscription Agreement (save for liabilities for any antecedent breaches thereof). Subject to the fulfillment or waiver of the conditions precedent abovementioned, the Share and Warrant Subscription Completion will take place on the first Business Day (or such other date as the Company and the Share and Warrant Subscriber may agree) after fulfillment or waiver of all the abovementioned conditions precedent.

The Share Subscription

Pursuant to the Share and Warrant Subscription Agreement, the Company agreed to allot and issue, and the Share and Warrant Subscriber agreed to subscribe in cash of HK\$30,000,000 for a total of 3,000,000,000 Shares at a price of HK\$0.01 per Share, which represent approximately 3,431.64% of the existing issued share capital of the Company and 97.17% of the issued share capital as enlarged by the issue of the Subscription Shares.

The Share Subscription Price

The Share Subscription Price of HK\$0.01 represents (i) a discount of approximately 98.41% to the closing price of HK\$0.63 per Share as quoted on the Stock Exchange on 12 December 2006, being the last trading day immediately before the date of the Announcement; (ii) a discount of approximately 98.28% to the average of the closing price per Share of approximately HK\$0.58 as quoted on the Stock Exchange for the last 5 trading days up to and including 12 December 2006, being the last trading day

LETTER FROM THE BOARD

immediately before the date of the Announcement; (iii) a discount of approximately 98.18% to the average of the closing price per Share of approximately HK\$0.55 as quoted on the Stock Exchange for the last 10 trading days up to and including 12 December 2006, being the last trading day immediately before the date of the Announcement; and (iv) a discount of approximately 98.21% to the average of the closing price per Share of approximately HK\$0.56 as quoted on the Stock Exchange for the last 30 trading days up to and including 12 December 2006, being the last trading day immediately before the date of the Announcement.

The Share Subscription Price was determined after arm's length negotiations between the Company and the Share and Warrant Subscriber, after considering the Group's existing financial position, liquidity of the Shares in the market, the amount of funds and number of Shares involved in the Share Subscription. The Board (including the independent non-executive Directors) is of the view that the terms of the Share Subscription are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Subscription Shares

The Subscription Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Subscription Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by the Company on or after the date of allotment and issue of the Subscription Shares.

The Subscription Shares will be issued under a special mandate proposed to be sought from the Shareholders at the SGM. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The Warrant Subscription

Pursuant to the Share and Warrant Subscription Agreement, immediately after the completion of the Share Subscription, the Company shall issue by way of bonus to the Share and Warrant Subscriber the Warrant which confers rights to subscribe up to HK\$6,000,000 in aggregate in cash for Shares at an initial exercise price of HK\$0.01 per Share (subject to adjustments). The Warrant to be issued by way of bonus was arrived at after arm's length negotiation between the Company and the Share and Warrant Subscriber, after considering the number of Shares to be subscribed by the Share and Warrant Subscriber pursuant to the Share Subscription. The Warrant will not be listed on any stock exchange.

Shares to be issued upon exercise of the Warrant

The Warrant Shares currently represent approximately 19.43% of the issued share capital of the Company at the time of the issue of the Warrant, and approximately 16.27% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares and assuming the allotment and issue of 600,000,000 Shares as a result of full exercise of the Warrant by the Share and Warrant Subscriber. The Warrant Shares will rank pari passu in all respects with the then existing issued Shares.

The Warrant Shares will be issued under a special mandate proposed to be sought from the Shareholders at the SGM. Application will be made to the Stock Exchange for the listing of, and permission to deal in the Warrant Shares.

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Initial Exercise Price

The Exercise Price of HK\$0.01 represents (i) a discount of approximately 98.41% to the closing price of HK\$0.63 per Share as quoted on the Stock Exchange on 12 December 2006, being the last trading day immediately before the date of the Announcement; (ii) a discount of approximately 98.28% to the average of the closing price per Share of approximately HK\$0.58 as quoted on the Stock Exchange for the last 5 trading days up to and including 12 December 2006, being the last trading day immediately before the date of the Announcement; (iii) a discount of approximately 98.18% to the average of the closing price per Share of approximately HK\$0.55 as quoted on the Stock Exchange for the last 10 trading days up to and including 12 December 2006, being the last trading day immediately before the date of the Announcement; and (iv) a discount of approximately 98.21% to the average of the closing price per Share of approximately HK\$0.56 as quoted on the Stock Exchange for the last 30 trading days up to and including 12 December 2006, being the last trading day immediately before the date of the Announcement.

The Exercise Price was determined after arm's length negotiations between the Company and the Share and Warrant Subscriber, after considering the Group's existing financial position, liquidity of the Shares in the market, the amount of funds and number of Shares involved after exercise of the subscription rights attaching to the Warrant.

Exercise Period

The subscription rights attaching to the Warrant may be exercised in whole or in part within the period from the date of the issue of the Warrant to the third anniversary of the date of the issue of the Warrant (both dates inclusive). Any subscription rights attaching to the Warrant which have not been exercised on or before the last day of the Exercise Period will lapse following such date and the Warrant will cease to be valid for all purpose. The Warrant is freely transferable.

THE NOTE SUBSCRIPTION AGREEMENT

Date

19 December 2006

Parties:

- (a) The Company, as the issuer of the Note; and
- (b) Super Bonus Management Limited (i.e. the Note Subscriber), a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, neither the Note Subscriber nor its beneficial owners are parties connected with or acting in concert with the Share and Warrant Subscriber or any substantial shareholder, chief executive and/or directors of the Company and of its subsidiaries and their respective associates as defined in the Listing Rules.

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Conditions Precedent

Completion of the Note Subscription Agreement is conditional upon the satisfaction of the following conditions:

- (a) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares;
- (b) if so required, the Bermuda Monetary Authority having granted its consent to the issue of the Note and the issue and allotment and free transferability of the Conversion Shares;
- (c) the passing by the Shareholders at general meeting an ordinary resolution approving the Note Subscription Agreement and the transactions contemplated thereunder;
- (d) the Note Subscriber having been satisfied with the results of its due diligence investigations on the Group and written notice to that effect having been given to the Company within 30 days from the date of the Note Subscription Agreement (or such other period of time as the Company and the Note Subscriber may agree);
- (e) the warranties to be given by the Company remaining true and accurate and not misleading in all material respects as at the date of Note Subscription Completion;
- (f) there shall not have occurred any material disruption or adverse change in the financial or capital markets generally, or in the markets for bank loan syndication or affecting the syndication or funding of bank loans (or the refinancing thereof) that may have an adverse impact on the Note Subscriber's ability to consummate the transaction contemplated under the Note Subscription Agreement on or prior to the date of Note Subscription Completion;
- (g) there shall not have occurred any change, or any development or event reasonably likely to involve a prospective change, in the condition (financial or otherwise), operations, business, prospects or properties of the Group, which is material and adverse on or prior to the date of Note Subscription Completion;
- (h) the Share and Warrant Subscription Completion having occurred; and
- (i) the closing of the Offer having occurred.

If any of the above conditions precedent is not fulfilled (or, in respect of the conditions precedent set out in paragraphs (d) to (g) above, waived by the Note Subscriber in writing) on or before the Note Long Stop Date, the Note Subscription Agreement shall lapse and become null and void and both the Company and the Note Subscriber will be released from all obligations under the Note Subscription Agreement (save for liabilities for any antecedent breaches thereof). Subject to the fulfillment or waiver of the conditions precedent abovementioned, completion of the Note Subscription Agreement will take place on the fourteenth Business Day (or such other date as the Company and the Note Subscriber may agree) after fulfillment or waive of all the abovementioned conditions precedent.

LETTER FROM THE BOARD

Principal terms of the Note

The principal terms of the Note are summarised as follows:

- Principal amount : HK\$24,000,000.
- Interest : The Note will not bear any interest.
- Maturity Date : The third anniversary of the date of issue of the Note.
- Status : The Note will constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and rank pari passu and rateably without preference equally with all other present and future unsecured and subordinated obligations of the Company.
- Conversion Price : HK\$0.01 per Conversion Share (subject to adjustments).

The initial Conversion Price of HK\$0.01 per Share was arrived at after arm's length negotiation between the Company and the Note Subscriber, after considering the Group's existing financial position, liquidity of the Shares in the market, the amount of funds and the number of Shares involved after conversion of the Note.

The initial Conversion Price of HK\$0.01 represents (i) a discount of approximately 98.41% to the closing price of HK\$0.63 per Share as quoted on the Stock Exchange on 12 December 2006, being the last trading day immediately before the date of the Announcement; (ii) a discount of approximately 98.28% to the average of the closing price per Share of approximately HK\$0.58 as quoted on the Stock Exchange for the last 5 trading days up to and including 12 December 2006, being the last trading day immediately before the date of the Announcement; (iii) a discount of approximately 98.18% to the average of the closing price per Share of approximately HK\$0.55 as quoted on the Stock Exchange for the last 10 trading days up to and including 12 December 2006, being the last trading day immediately before the date of the Announcement; and (iv) a discount of approximately 98.21% to the average of the closing price per Share of approximately HK\$0.56 as quoted on the Stock Exchange for the last 30 trading days up to and including 12 December 2006, being the last trading day immediately before the date of the Announcement.

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- Conversion Rights : The Noteholder will have the right to convert on any Business Day during a period commencing on the date of issue of the Note and ending on the Maturity Date (both days inclusive), the whole or any part of the principal amount of the relevant Note into the Conversion Shares at the Conversion Price, provided that such parts of the principal amount of the Note to be converted shall not be less than a whole multiple of HK\$1,000,000 at any one time (unless the aggregate outstanding principal amount of the Note is less than HK\$1,000,000 in which case the whole (but not part only) of that amount may be converted).
- Redemption on or after the Maturity Date : 100% of the outstanding principal amount of the Note shall be repaid by the Company. The Noteholder will not earn any yield or return by holding the Note to maturity.
- Ranking of the Conversion Shares : The Conversion Shares will rank pari passu in all respects with all other Shares in issue as at the date of issue and allotment.
- Transferability : The Note will be freely assigned and transferred provided that no assignment or transfer shall be made to a connected person (within the meaning ascribed thereto in the Listing Rules) of the Company without the prior approval of the Company, and that such parts of the principal amount of the Note to be assigned or transferred shall not be less than a whole multiple of HK\$1,000,000 at any one time (unless the aggregate outstanding principal amount of the Note is less than HK\$1,000,000 in which case the whole (but not part only) of that amount may be assigned and transferred).
- Voting : The Noteholder will not be entitled to attend or vote at any meeting of the Company by reason only of it being a Noteholder.
- Listing : No application will be made for the listing of the Note on the Stock Exchange or any stock or securities exchange.

The Conversion Shares will be issued under a special mandate proposed to be sought from the Shareholders at the SGM. Application will be made to the Stock Exchange for the listing of, and permission to deal in the Conversion Shares.

REASON FOR THE ISSUE OF THE SUBSCRIPTION SHARES, THE WARRANT AND THE NOTE

The Group is engaged in apparel trading, securities trading and strategic investments.

According to the audited financial statement of the Company for the year ended 31 March 2006, the Company had incurred a net loss of approximately HK\$22.8 million for the year. According to the unaudited interim results for the six months ended 30 September 2006, the Company has incurred an unaudited net loss of approximately HK\$21 million for the six months period. Apparel trading and

LETTER FROM THE BOARD

retailing business is the core operation for the Group. However, this segment recorded a loss of approximately HK\$11.7 million for the year ended 31 March 2006 and the turnover decreased by 4.5% compared to that for the year ended 31 March 2005. The apparel trading and retailing business recorded a loss of approximately HK\$5 million (unaudited) for the six months ended 30 September 2006 and the turnover decreased by 15.5% as compared to the relevant period in year 2005 to HK\$36.5 million for the six months ended 30 September 2006. The audited net asset value of the Company as at 31 March 2006 was approximately HK\$43.9 million, which has decreased by 12.5% compared to the audited net asset value as at 31 March 2005. The net asset value (unaudited) of the Company as at 30 September 2006 was further decreased to approximately HK\$35.8 million. As at 30 September 2006, the Group has an outstanding short-term loan in an amount of approximately HK\$9.4 million which will be due on 31 March 2007. Due to the poor performance of the business of the Group, the Group had negotiated with the financial institution to vary the repayment date of the loan. The Directors expect that no variation of the repayment date will be likely without any significant improvement in the Company's financial position. The Board after considering the financial position of the Group and the terms of other means of fund-raising exercises available to the Company (such as obtaining banking facilities, private placing of shares and rights issues) takes the view that the Share Subscription, the Warrant Subscription and the Note Subscription can improve the financial position of the Group and can provide the Group with immediate additional funding up to an aggregate of approximately HK\$54 million. Furthermore, after completion of the Share Subscription, the Share and Warrant Subscriber will, pursuant to Rule 26 of the Takeovers Code, also make an Offer to acquire all the issued Shares (other than the Shares already owned or agreed to be acquired by the Share and Warrant Subscriber and parties acting in concert with it) which will provide an opportunity for the Shareholders to exit. As such, the Directors (including the independent non-executive Directors) are of the view that the terms of the Share and Warrant Subscription Agreement and the Note Subscription Agreement are fair and reasonable and the issue of the Subscription Shares, the Warrant and the Note are in the interests of the Company and the Shareholders as a whole. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer.

The net proceeds from the issue of the Subscription Shares, the Warrant and the Note (after deduction of expenses) are estimated to be approximately HK\$54 million. The Directors at present intend to approximately apply the net proceeds for general working capital. The receipt by the Company of approximately HK\$6 million (after deduction of expenses) from the subscription of the new Shares by the exercise of the Warrant, will, if received, be applied by the Group for general working capital.

The Company has not conducted any equity-related fund raising exercise for the past 12 months immediately prior to the Latest Practicable Date.

INFORMATION OF THE SHARE AND WARRANT SUBSCRIBER AND THE NOTE SUBSCRIBER

The Share and Warrant Subscriber is a private limited company incorporated in the British Virgin Islands. It has not carried on any business activities since its incorporation other than the entering into of the Share and Warrant Subscription Agreement. The Share and Warrant Subscriber is beneficially wholly-owned by Mr. Poh Po Lian. Mr. Poh is also the sole director of the Share and Warrant Subscriber. Mr. Poh Po Lian, aged 48, has started his career as an entrepreneur in hospitality and leisure business in Singapore since 1977. Over the last 29 years, he has acquired extensive knowledge in a number of gaming management roles in Asia, including, Singapore, Malaysia, Vietnam, Philippines and Cambodia.

LETTER FROM THE BOARD

He has extensive experience in providing gaming machine solution in Cambodia, Vietnam and the Philippines. He was also responsible to build the Rendang Beach Resort in Malaysia and the Hainan Wenchang Golf Club in Hainan Province, PRC. Mr. Poh is also the founder and the chairman of a private company which is a manufacturer and distributor of slot machines, progressive jackpot link system, electronic table games and trilling games. Mr. Poh will be nominated by the Share and Warrant Subscriber to be appointed as a Director after the posting of the composite offer and response document to be issued by the Share and Warrant Subscriber and the Company jointly in connection with the Offer.

The Note Subscriber is a private limited company incorporated in the British Virgin Islands. It has not carried on any business activities since its incorporation other than the entering into of the Note Subscription Agreement. The Note Subscriber is beneficially wholly-owned by Mr. Cheng Chee Tock, Theodore. Mr. Cheng is also the sole director of the Note Subscriber. Mr. Cheng, aged 56, was educated in electronic and electrical engineering disciplines with the Polytechnic University of Hong Kong. He is the chairman and holds approximately 57% of the issued share capital of Sino Strategic International Limited, a company listed on the Australian Stock Exchange. As at 15 December 2006, the market capitalization of Sino Strategic International Limited was approximately AUD125.5 million (equivalent to approximately HK\$768 million). Mr. Cheng has been engaged in the lottery gaming business in the PRC for years. Mr. Cheng will be nominated by the Share and Warrant Subscriber to be appointed as a Director after the posting of the composite offer and response document to be issued by the Share and Warrant Subscriber and the Company jointly in connection with the Offer.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, neither the Share and Warrant Subscriber nor its beneficial owner and parties acting in concert with them are parties connected with the Note Subscriber or any substantial shareholder, chief executive and/or directors of the Note Subscriber or their respective concert parties. The Note Subscriber is not a party acting in concert with the Share and Warrant Subscriber.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, neither the Note Subscriber nor its beneficial owner and parties acting in concert with them are parties connected with the Share and Warrant Subscriber or any substantial shareholder, chief executive and/or directors of the Share and Warrant Subscriber or their respective concert parties. The Share and Warrant Subscriber is not a party acting in concert with the Note Subscriber.

LETTER FROM THE BOARD

EFFECT ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the shareholding structure of the Company upon completion of the Share Subscription, the full exercise of subscription rights attaching to the Warrant and the full conversion of the Note are as follows:

Shareholders	Existing shareholding structure as at the Latest Practicable Date		Shareholding structure upon completion of the Share Subscription		Shareholding structure upon completion of the Share Subscription and upon full exercise of subscription rights attaching to the Warrant at the initial Exercise Price of HK\$0.01 per Share		Shareholding structure upon full conversion of the Note at the initial Conversion Price of HK\$0.01 per Share (assuming completion of the Public Float Maintenance Steps and no acceptance of the Offer)	
	% of		% of		% of		% of	
	Number of Shares held	issued Shares held	Number of Shares held	issued Shares held	Number of Shares held	issued Shares held	Number of Shares held	issued shares held
Leopard Vision Limited (Note)	20,609,330	23.57	20,609,330	0.67	20,609,330	0.56	20,609,330	0.34
Share and Warrant Subscriber and parties acting in connect with it	0	0	3,000,000,000	97.17	3,600,000,000	97.63	2,144,956,909	35.24
Note Subscriber	0	0	0	0	0	0	2,400,000,000	39.42
Other public Shareholders	66,812,322	76.43	66,812,322	2.16	66,812,322	1.81	1,521,855,413	25
Total	87,421,652	100.00	3,087,421,652	100.0	3,687,421,652	100.0	6,087,421,652	100.00

Note: The entire issued share capital of Leopard Vision Limited is held by Byford Group Limited which in turn is held by Expert Rich Investments Limited. Expert Rich Investments Limited is wholly-owned by Mr. Wong Ching Ping Alex, an executive Director. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, neither Leopard Vision Limited nor its beneficial owner and parties acting in concert with any of them are parties connected with the Share and Warrant Subscriber and the Note Subscriber or any substantial shareholder, chief executive and/or directors of the Share and Warrant Subscriber and the Note Subscriber or their respective concert parties. Both the Share and Warrant Subscriber and the Note Subscriber are not parties acting in concert with Leopard Vision Limited.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

Immediately following the completion of the Share Subscription, the Share and Warrant Subscriber will have acquired 3,000,000,000 Shares, representing approximately 97.17% of the issued share capital of the Company as enlarged by the Subscription Shares. Upon the completion of the Share Subscription, Mitsubishi UFJ on behalf of the Share and Warrant Subscriber will, pursuant to Rule 26 of the Takeovers

LETTER FROM THE BOARD

Code, make a mandatory unconditional offer to acquire all the issued Shares (other than those Shares already owned or agreed to be acquired by the Share and Warrant Subscriber and parties acting in concert with it) immediately after the completion of the Share Subscription. The Offer, if and when made, will be unconditional in all respects.

Warning: The Offer is a possibility only.

The Share and Warrant Subscriber has also undertaken to the Company, and will undertake to the Stock Exchange that it shall, immediately after completion of the Share Subscription and the close of the Offer, take the Public Float Maintenance Steps to ensure that an adequate number of the Subscription Shares shall be sold, placed or otherwise disposed of to the independent third parties so that no less than 25% of the Company's entire issued share capital as enlarged by the Share Subscription is held by the public in compliance with the Listing Rules.

The terms of the Offer

The consideration payable under the Offer is as follows:

For each Share HK\$0.51 in cash

The Offer price of HK\$0.51 per Share represents (i) a discount of approximately 19.05% to the closing price of HK\$0.63 per Share as quoted on the Stock Exchange on 12 December 2006, being the last trading day immediately before the date of the Announcement; (ii) a discount of approximately 12.07% to the average of the closing price per Share of approximately HK\$0.58 as quoted on the Stock Exchange for the last 5 trading days immediately prior to and including 12 December 2006, being the last trading day immediately before the date of the Announcement; (iii) a discount of approximately 7.27% to the average of the closing price per Share of approximately HK\$0.55 as quoted on the Stock Exchange for the last 10 trading days immediately prior to and including 12 December 2006, being the last trading day immediately before the date of the Announcement; (iv) a discount of approximately 8.93% to the average of the closing price per Share of approximately HK\$0.56 as quoted on the Stock Exchange for the last 30 trading days immediately prior to and including 12 December 2006, being the last trading day immediately before the date of the Announcement. The Offer price of HK\$0.51 was determined with reference to the current market price of each Share, the liquidity of the Shares and the current financial position of the Company.

Save as the Warrant and the Note to be issued pursuant to the Share and Warrant Subscription Agreement and the Note Subscription Agreement, the Company does not have any other outstanding options, warrants and other securities convertible into Shares or any other derivatives.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period preceding the date of the Announcement were HK\$0.69 per Share recorded on 7 June 2006 and HK\$0.51 per Share recorded on 30 November 2006, 1 December 2006, 4 December 2006 and 5 December 2006 respectively.

LETTER FROM THE BOARD

The making of the Offer

The obligation to make the Offer will only be incurred upon the completion of the Share Subscription. The Share and Warrant Subscriber will issue an announcement in accordance with the Takeovers Code and Listing Rules upon the fulfillment or waiver of the conditions of the Share Subscription Agreement. The Offer, when made by Mitsubishi UFJ on behalf of the Share and Warrant Subscriber, will be unconditional.

Total consideration and financial resources

As at the Latest Practicable Date, the Company has 87,421,652 Shares in issue. Immediately upon the completion of the Share Subscription and the commencement of the Offer (assuming there will be no further issue by the Company on or before the commencement of the Offer), the Company would have 3,087,421,652 Shares in issue, in which 87,421,652 Shares will not be owned or controlled by the Share and Warrant Subscriber and parties acting in concert with it. At the Offer Price of HK\$0.51 per Share, the issued share capital of 87,421,652 Shares is valued at approximately HK\$44.6 million. Mitsubishi UFJ is satisfied that sufficient financial resources are available to the Share and Warrant Subscriber to satisfy the aggregate consideration for the Share Subscription and to meet full acceptance of the Offer as described above.

The Share and Warrant Subscriber's dealing and interests in the Company's securities

Save for the subscription of the Subscription Shares and the Warrant pursuant to the Share and Warrant Subscription Agreement, none of the Share and Warrant Subscriber and parties acting in concert with it has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible into Shares in the six months prior to and as at the Latest Practicable Date. As at the Latest Practicable Date, the Share and Warrant Subscriber and parties acting in concert with it do not hold any Shares, outstanding options, derivatives, warrants or other securities convertible into Shares.

The Note Subscriber's dealing and interests in the Company's securities

Save for the subscription of the Note pursuant to the Note Subscription Agreement, none of the Note Subscriber and parties acting in concert with it has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible into Shares in the six months prior to and as at the Latest Practicable Date. As at the Latest Practicable Date, the Note Subscriber and parties acting in concert with it do not hold any Shares, outstanding options, derivatives, warrants or other securities convertible into Shares.

Effect of acceptance of the Offer

By accepting the Offer, the Shareholders will sell their Shares and all rights attached thereto to the Share and Warrant Subscriber free from all liens, charges, claims and encumbrances and any third party rights together with all rights attached to them, including the right to receive all dividends and distributions declared, paid or made at or after the date on which the Offer are made, i.e. the date of posting of the composite offer and response document to be issued by the Share and Warrant Subscriber and the Company jointly in connection with the Offer.

LETTER FROM THE BOARD

Stamp duty

Stamp duty at a rate of HK\$1 for every HK\$1,000 (or part thereof) of the consideration payable will be deducted from the amount payable to the Shareholders who accept the Offer. The Share and Warrant Subscriber will arrange for payment of the stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

Payment

Payment (after the deduction of the sellers' share of stamp duty) in cash in respect of acceptances of the Offer will be made within ten days of the date of receipt of duly completed valid acceptance.

Intention of the Share and Warrant Subscriber regarding the Group

The Share and Warrant Subscriber intends that the Group will continue its existing businesses following the close of the Offer. Meanwhile, the Share and Warrant Subscriber will conduct a review of the business operation and financial position of the Group for the purpose of formulating business plans and strategies for streamlining in the existing business operation and improving the financial position of the Group and for the future business development of the Group. Subject to the result of the review and should suitable investment or business opportunities arise, the Share and Warrant Subscriber may consider leveraging the gaming business experience of its sole shareholder and diversifying the business of the Group including business in relation to the gaming industry in Asia, with an objective to broaden its income source. However, no such investment or business opportunities have been identified at this stage. The Share and Warrant Subscriber has no intention to re-deploy the employees or the fixed assets of the Group other than in its ordinary course of business.

Maintaining the Listing Status of the Company

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) that there are insufficient Shares in public hands to maintain an orderly market, the Company will be in breach of Rule 8.08 of the Listing Rules and the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

The Share and Warrant Subscriber intends that the Company will remain listed on the Stock Exchange after the close of the Offer and does not intend to exercise its rights to compulsorily acquire all the Shares. The directors of the Share and Warrant Subscriber and the new Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that such number of Shares as may be required by the Stock Exchange are held by the public.

LETTER FROM THE BOARD

General

A composite offer document setting out, inter alia, the terms of the Offer, and the procedure for acceptance and transfer of the Offer Shares, will be sent to the Shareholders in accordance with the Takeovers Code. The Independent Board Committee has approved the appointment of the Independent Financial Adviser which will advise the Independent Board Committee and the Independent Shareholders in respect of the Offer. As at the Latest Practicable Date, neither the Company nor the Share and Warrant Subscriber has received any indication from Leopard Vision Limited, the substantial Shareholder, whether it will accept the Offer or not. It is noted that pursuant to Rule 8.2 of the Takeovers Code, the offer document containing, among others, the terms of the Offer to the Shareholders should normally be posted by or on behalf of the Share and Warrant Subscriber within 21 days of the date of the announcement of the Offer. The Share and Warrant Subscriber and the Company intend to combine the offer document and the company's response document into a composite offer and response document. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of an offer is subject to the prior fulfillment of the pre-condition and the pre-condition cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code. Application has been made by the Share and Warrant Subscriber for the Executive's consent under Rule 8.2 of the Takeovers Code to extend the deadline of the despatch of the composite offer and response document within 7 days of the fulfillment or waiver of the conditions of the Share and Warrant Subscription Agreement.

Save that it is currently intended that Mr. Poh Po Lian and Mr. Cheng Chee Tock, Theodore will be nominated by the Share and Warrant Subscriber to be appointed as a Director after the posting of the composite offer and response document to be issued by the Share and Warrant Subscriber and the Company jointly in connection with the Offer, the board composition is not intended to be changed upon the Share and Warrant Subscription Completion.

SGM

At the SGM, ordinary resolutions will be proposed to approve the Share and Warrant Subscription Agreement and the Note Subscription Agreement and the transactions contemplated therein, including the grant of a special mandate to issue and allot the Subscription Shares, the Warrant Shares, the Note and the Conversion Shares. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as no Shareholder is involved in or interested in the Share and Warrant Subscription Agreement and the Note Subscription Agreement, no persons are required to abstain from voting in the SGM. As at the Latest Practicable Date, Leopard Vision Limited, a substantial Shareholder, is not intended to abstain from voting and is intended to vote in favour of the ordinary resolutions in the notice of the SGM accompanying this circular.

A form of proxy for use by the Shareholders at the SGM is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and returned, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, to the Company branch share register in Hong Kong, Secretaries 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 the holding of the SGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM if you so wish.

LETTER FROM THE BOARD

PROCEDURE FOR DEMANDING A POLL

Pursuant to the Bye-laws, at any general meeting, a resolution put to vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorized representative shall be deemed to be the same as demand by a Shareholder.

RECOMMENDATION

The Directors consider that the Share and Warrant Subscription Agreement and the Note Subscription Agreement, including the proposed issue of the Subscription Shares, the Warrant, the Note and the Conversion Shares are in the best interests of the Company and the Shareholders as a whole and accordingly recommend that all Shareholders should vote in favour of the ordinary resolutions in the notice of the SGM accompanying this circular as they intend to do themselves in respect of their own holdings.

By Order of the Board
Foundation Group Limited
Wong Ching Ping, Alex
Chairman

NOTICE OF SGM



FOUNDATION GROUP LIMITED

基業控股有限公司*

(incorporated in Bermuda with limited liability)
(Stock Code: 1182)

NOTICE IS HEREBY GIVEN that a special general meeting of Foundation Group Limited (“Company”) will be held at Room 1901, 19th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong on Monday, 29 January 2007 at 3:00 p.m., for the purposes of considering and, if thought fit, passing, with or without modification, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

- (1) **“THAT** the terms and conditions, execution, delivery, performance and implementation of the Share and Warrant Subscription Agreement (as defined and described in the circular (the **“Circular”**) of the Company dated 12 January 2007), a copy of which is produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification, and the transactions contemplated in or incidental to the Share and Warrant Subscription Agreement be and are hereby approved, confirmed and ratified; and the directors and the secretary of the Company or any of them be and are hereby authorized on behalf of the Company:
 - (a) to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as they may in their discretion consider necessary or desirable for the purpose of or in connection with the implementation of the Share and Warrant Subscription Agreement and all transactions contemplated thereunder;
 - (b) subject to completion of the Share and Warrant Subscription Agreement, to issue and allot the Subscription Shares (as defined and described in the Circular) in accordance with the terms of the Share and Warrant Subscription Agreement;
 - (c) subject to completion of the Share and Warrant Subscription Agreement, to create and issue the Warrant (as defined and described in the Circular) in accordance with the terms of the Share and Warrant Subscription Agreement and to issue and allot the Warrant Shares (as defined and described in the Circular) upon exercise of the subscription rights attaching to the Warrant in accordance with the terms and conditions attaching thereto;
 - (d) to exercise or enforce all the rights of the Company under the Share and Warrant Subscription Agreement; and
 - (e) to complete the Share and Warrant Subscription Agreement in accordance with its terms.”

* for identification purposes only

NOTICE OF SGM

- (2) “**THAT** the terms and conditions, execution, delivery, performance and implementation of the Note Subscription Agreement (as defined and described in the circular (the “Circular”) of the Company dated 12 January 2007), a copy of which is produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification, and the transactions contemplated in or incidental to the Note Subscription Agreement be and are hereby approved, confirmed and ratified; and the directors and the secretary of the Company or any of them be and are hereby authorized on behalf of the Company:
- (a) to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things as they may in their discretion consider necessary or desirable for the purpose of or in connection with the implementation of the Note Subscription Agreement and all transactions contemplated thereunder;
 - (b) subject to completion of the Note Subscription Agreement, to issue the Note (as defined and described in the Circular) in accordance with the terms of the Note Subscription Agreement and to issue and allot the Conversion Shares (as defined and described in the Circular) upon exercise by the holder of the Note of the conversion rights to convert all or any part of the Note in accordance with the terms and conditions attaching thereto;
 - (c) to exercise or enforce all the rights of the Company under the Note Subscription Agreement; and
 - (d) to complete the Note Subscription Agreement in accordance with its terms.”

By Order of the Board
Foundation Group Limited
Ho Koon Man
Company Secretary

Hong Kong, 12 January 2007

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Office:
Room 1901, 19/F
Hutchison House
10 Harcourt Road
Central
Hong Kong

NOTICE OF SGM

Notes:

- (i) A shareholder of the Company (“Shareholder”) entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy in respect of the whole or any part of his holding of shares to attend and vote in his stead. A proxy need not be a Shareholder.
- (ii) In order to be valid, the form of proxy must be deposited with the branch share registrar of the Company in Hong Kong, Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (iii) Completion and delivery of the form of proxy will not preclude a Shareholder from attending and voting in person at the meeting if the Shareholder so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (iv) As at the date of this notice, the executive directors of the Company are Mr. Wong Ching Ping, Alex and Mr. Lim Direk and the independent non-executive directors of the Company are Mr. Chu Kar Wing, Dr. Chow King Wai and Mr. Tang Yiu Wing.