



# FOUNDATION GROUP LIMITED

## 基業控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1182)

### APPOINTMENT OF EXECUTIVE DIRECTOR AND CHANGE OF INDEPENDENT NON- EXECUTIVE DIRECTORS

The board of directors (the “Board”) of Foundation Group Limited (the “Company”) announces that:

- (1) Mr. Woelm, Samuel has been appointed an executive director and chief executive officer of the Company with effect from 9 May, 2007;
- (2) Mr. Wu Chuang, John has been appointed as an executive director of the Company with effect from 9 May, 2007;
- (3) Mr. Chu Kar Wing (“Mr. Chu”) has resigned as an independent non-executive director, and a member of the audit committee (the “Audit Committee”) and the remuneration committee (the “Remuneration Committee”) of the Company with effect from 9 May, 2007;
- (4) Dr. Chow King Wai (“Dr. Chow”) has resigned as an independent non-executive director, and a member of the Audit Committee with effect from 9 May, 2007;
- (5) Mr. Tang Yiu Wing (“Mr. Tang”) has resigned as an independent non-executive director, and a member of both the Audit Committee and the Remuneration Committee with effect from 9 May, 2007; and
- (6) Mr. Sze Tsai Ping, Michael, Dr. Chow, Steven and Mr. Wang Shan Chuan have been appointed as independent non-executive directors of the Company with effect from 9 May, 2007.

Mr. Chu, Dr. Chow and Mr. Tang have confirmed that they are not aware of any matter relating to their resignations that needs to be brought to the attention of the shareholders of the Company. They have also confirmed that their resignations are for personal reasons and that they have no disagreement with the Board. The Board would like to express its gratitude to Mr. Chu, Dr. Chow and Mr. Tang for their valuable contributions to the Company and offers its best wishes to them.

Mr. Woelm, Samuel, aged 40, graduated Summa-Cum Laude Japanese and Chinese Studies from the University of Minnesota. Since 1991, Mr. Woelm has been residing in Japan, Hong Kong and China fulfilling senior sales and marketing positions for international enterprises. He has acquired extensive experience in marketing and business development as well as developed corporate relationships with various international conglomerates. He has extensive hands on business experience in China and is proficient in Japanese and Chinese. Mr. Woelm has not held directorship in any listed companies in the past three years.

Mr. Woelm does not have any service contract with the Company and his term of service is not fixed. In accordance with the bye-laws of the Company, he will hold office until the annual general meeting to be held in 2007 and will then be eligible for re-election; thereafter he will retire by rotation and will be eligible for re-election provided that he shall be subject to retirement at least once every three years. His remuneration will be recommended and fixed by the Board with reference to his duties and responsibilities.

Mr. Woelm is not connected with any director, senior management or substantial or controlling shareholder of the Company, nor does he have any interests (within the meaning of Part XV of the Securities and Futures Ordinance) in the securities of the Company as at the date hereof.

Mr. Wu Chuang, John, aged 58, graduated in Accounting and holds a Master Degree in International Economics from the University of San Francisco. He has over 25 years experience in management and financing business in the United States, the Peoples' Republic of China and Hong Kong. Currently, Mr. Wu is a non-executive director of Sino Strategic International Limited, which is a company listed on the Australian Stock Exchange and a company in which Mr.

Cheng Chee Tock, Theodore, the Chairman of the Company, has controlling interest. Save as disclosed herein, Mr. Wu has not held directorship in any listed companies in the past three years.

Mr. Wu does not have any service contract with the Company and his term of service is not fixed. In accordance with the bye-laws of the Company, he will hold office until the annual general meeting to be held in 2007 and will then be eligible for re-election; thereafter he will retire by rotation and will be eligible for re-election provided that he shall be subject to retirement at least once every three years. His remuneration will be recommended and fixed by the Board with reference to his duties and responsibilities.

Save as disclosed above, Mr. Wu is not connected with any director, senior management or substantial or controlling shareholder of the Company, nor does he have any interests (within the meaning of Part XV of the Securities and Futures Ordinance) in the securities of the Company as at the date hereof.

Mr. Sze Tsai Ping, Michael, aged 61, has over 30 years of experience in the financial and securities field. He graduated with a Master of Laws (LLM) Degree from the University of Hong Kong. Mr. Sze is currently a member of the Disciplinary Appeals Committee of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He was a former council member, member of the Main Board Listing Committee of the Stock Exchange, member of the Cash Market Consultative Panel of the Hong Kong Exchanges & Clearing Limited and member of the SFC Appeals Panel. Mr. Sze is a non-executive director of Burwill Holdings Limited and an independent non-executive director of T S Telecom Technologies Limited, GOME Electrical Appliances Holdings Limited, Greentown China Holdings Limited and Harbour Centre Development Limited, all of which are listed on the Stock Exchange. Save as disclosed, Mr. Sze has not held directorship in any listed companies in the past three years.

Mr. Sze is a fellow of the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a fellow of the Hong Kong Institute of Directors.

Mr. Sze does not have any service contract with the Company and his term of service is not fixed. In accordance with the bye-laws of the Company, he will hold office until the annual general meeting to be held in 2007 and will then be eligible for re-election; thereafter he will retire by rotation and will be eligible for re-election provided that he shall be subject to retirement at least once every three years. His remuneration will be recommended and fixed by the Board with reference to his duties and responsibilities.

Mr. Sze is not connected with any director, senior management or substantial or controlling shareholder of the Company, nor does he have any interests (within the meaning of Part XV of the Securities and Futures Ordinance) in the securities of the Company as at the date hereof.

Dr. Chow, Steven, aged 62, has obtained a Bachelor Degree of Science from Bishop's University, a Master Degree of Business Administration and a Ph. D from Boston University. Dr. Chow is a licensed investment advisor and has over 30 years of experience in banking and investment. Currently, Dr. Chow is an independent non-executive director of CNT Group Limited, which is a company listed on the Stock Exchange. Save as disclosed herein, Dr. Chow has not held directorship in any listed companies in the past three years.

Dr. Chow does not have any service contract with the Company and his term of service is not fixed. In accordance with the bye-laws of the Company, he will hold office until the annual general meeting to be held in 2007 and will then be eligible for re-election; thereafter he will retire by rotation and will be eligible for re-election provided that he shall be subject to retirement at least once every three years. His remuneration will be recommended and fixed by the Board with reference to his duties and responsibilities.

Dr. Chow is not connected with any director, senior management or substantial or controlling shareholder of the Company. Dr. Chow has a total beneficial and family interest in 55,000 shares in the Company, being less than 1% of the total issued shares in the Company as at the date hereof.

Mr. Wang Shan Chuan, aged 62, holds a Bachelor Degree in English from Foreign Languages Institute of Peoples' Liberation Army. Mr. Wang had served various commissions of the State Council, including as the Director-general of Foreign Affairs

Bureau of the State-owned Assets Supervision and Administration Commission, and the Deputy Director-general of Foreign Affairs Department of State Economic and Trade Commission. After retirement in 2005, Mr. Wang acted as Senior Adviser of Deloitte Touche Tohmatsu CPA Limited until June 2006. Mr. Wang has not held directorship in any listed companies in the past three years.

Mr. Wang does not have any service contract with the Company and his term of service is not fixed. In accordance with the bye-laws of the Company, he will hold office until the annual general meeting to be held in 2007 and will then be eligible for re-election; thereafter he will retire by rotation and will be eligible for re-election provided that he shall be subject to retirement at least once every three years. His remuneration will be recommended and fixed by the Board with reference to his duties and responsibilities.

Mr. Wang is not connected with any director, senior management or substantial or controlling shareholder of the Company, nor does he have any interests (within the meaning of Part XV of the Securities and Futures Ordinance) in the securities of the Company as at the date hereof.

The Board is not aware of any matter in relation to Mr. Woelm, Samuel, Mr. Wu Chuang, John, Mr Sze Tsai Ping, Michael, Dr. Chow, Steven and Mr. Wang Shan Chuan, that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matter that needs to be brought to the attention of shareholders of the Company in relation to the above appointments.

The Board would like to take this opportunity to welcome Mr. Woelm, Mr. Wu, Mr. Sze, Dr. Chow and Mr. Wang.

By order of the Board  
**Foundation Group Limited**  
**Cheng Chee Tock, Theodore**  
*Chairman*

Hong Kong, 9 May, 2007

As at the date hereof, Mr. Cheng Chee Tock, Theodore is the Chairman of the Company, Messrs. Woelm, Samuel, Poh Po Lian and Wu Chuang, John are the executive directors; Messrs. Sze Tsai Ping, Michael, Chow, Steven and Wang Shan Chuan are the independent non-executive directors.

*\* For identification purposes only*

Please also refer to the published version of this announcement in China Daily.