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## FOUNDATION GROUP LIMITED

基業控股有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

### CONNECTED TRANSACTION REGARDING SUBSCRIPTION OF SHARES DELAY IN DESPATCH OF CIRCULAR

Reference is made to the announcement of the Company published in the newspaper in Hong Kong on 22 March 2007 in connection with the Subscription Agreement which constitutes a connected transaction of the Company under the Listing Rules. The Company has applied to the Stock Exchange for an extension of time for despatch of its circular from 12 April 2007 to a date on or before 27 April 2007.

Reference is made to the announcement of the Company published in the newspaper in Hong Kong on 22 March 2007 (the “**Announcement**”) in connection with the Subscription Agreement entered into between the Company and Luck Continent, pursuant to which Luck Continent conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue to Luck Continent, up to 600,000,000 new Shares at the Subscription Price. Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings as defined in the Announcement.

The Subscription Agreement constitutes a connected transaction of the Company under the Listing Rules. Pursuant to Rule 14A.49 of the Listing Rules, a circular (the “Circular”) setting out the details of the Subscription Agreement is required to be despatched to the Shareholders within 21 days after publication of the Announcement. As additional time will be required to finalize the Circular, in particular to obtain the advice from the independent financial adviser regarding the Subscription Agreement, the Company has applied to the Stock Exchange for an extension of the date for despatch of the Circular to the Shareholders. The Circular is expected to be despatched to the Shareholders on or before 27 April 2007.

As at the date of this announcement, the executive Directors of the Company are Mr. Poh Po Lian and Mr. Cheng Chee Tock, Theodore (the Chairman) and the independent non-executive Directors of the Company are Mr. Chu Kar Wing, Dr. Chow King Wai and Mr. Tang Yiu Wing.

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

Hong Kong, 12 April 2007

\* For identification purposes only

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