



# FOUNDATION GROUP LIMITED

## 基業控股有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

### RESIGNATION OF DIRECTOR, CHANGE OF CHAIRMAN & COMMITTEE MEMBER

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

- (1) Mr. Wong Ching Ping, Alex ("Mr. Wong") has resigned as an executive director, Chairman of the Company and Chairman of remuneration committee of the Company on 28th February, 2007; and
- (2) Mr. Cheng Chee Tock, Theodore ("Mr. Cheng"), the executive director of the Company, has been appointed as Chairman of the Company and Chairman of the remuneration committee of the Company on 28th February, 2007.

Mr. Wong has confirmed that he is not aware of any matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company. He has also confirmed that his resignation is for personal reasons and that he has no disagreement with the Board. The Board would like to express its gratitude to Mr. Wong for his valuable contributions to the Company and offers its best wishes to him.

Mr. Cheng, aged 56, was educated in electronic and electrical engineering disciplines with The Hong Kong Polytechnic University. He is the chairman, director and the controlling shareholder of Sino Strategic International Limited, a company listed on the Australian Stock Exchange Limited. Mr. Cheng has been engaged in the lottery gaming business in the PRC for years. Save as disclosed herein, Mr. Cheng did not hold any directorship in any other listed public companies on the Hong Kong Stock Exchange and any other stock exchange in the three years preceding his appointment of Chairman on 28 February 2007.

Mr. Cheng has been appointed as executive director of the Company with effect from 15 February 2007 with no fixed term of contract. Mr. Cheng is subject to retirement by rotation and re-election pursuant to the bye-laws of the Company. Mr. Cheng is entitled to a monthly fee of HK\$5,000 which is determined with reference to his duties and responsibilities as director and Chairman of the Company.

Mr. Cheng through Super Bonus Management Limited, a company beneficially owned by him, has entered into a conditional note subscription agreement with the Company on 19 December 2006 for the subscription of redeemable convertible note in the principal amount of HK\$24,000,000 (the "Note"). The Note will be convertible into shares of the Company at the initial conversion price of HK\$0.01 per Share (subject to adjustment). Save as disclosed herein, Mr. Cheng has no relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

Save as disclosed herein, there are no other matters related to the above appointment of Chairman that need to be brought to the attention of the shareholders of the Company or are required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

By order of the board of  
**Foundation Group Limited**  
**Cheng Chee Toch, Theodore**  
Chairman

Hong Kong, 28 February 2007

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

\* For identification purposes only

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