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## LUCK CONTINENT LIMITED

*(Incorporated in the British Virgin Islands with limited liability)*

## FOUNDATION GROUP LIMITED

基業控股有限公司\*

*(Incorporated in Bermuda with limited liability)*  
(Stock code: 1182)

### JOINT ANNOUNCEMENT

### COMPLETION OF SHARE AND WARRANT SUBSCRIPTION AGREEMENT AND

### UNCONDITIONAL MANDATORY CASH OFFER BY

### MITSUBISHI UFJ SECURITIES (HK) CAPITAL, LIMITED

### ON BEHALF OF LUCK CONTINENT LIMITED FOR ALL THE ISSUED SHARES IN THE COMPANY (OTHER THAN THOSE SHARES ALREADY OWNED OR AGREED TO BE ACQUIRED BY LUCK CONTINENT LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

Further to the SGM Results Announcement, the Board is pleased to announce that all the conditions of the Share and Warrant Subscription Agreement have been fulfilled on 30 January 2007. The Share and Warrant Subscriber and the Company hereby announce the completion of the Share and Warrant Subscription Agreement has taken place on 31 January 2007. Following completion of the Share and Warrant Subscription Agreement, the Share and Warrant Subscriber and parties acting in concert with it in aggregate own 3,000,000,000 Shares, representing approximately 97.17% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The Company and the Offeror have jointly and severally undertaken to the Stock Exchange to take appropriate steps following the close of the Offer, to ensure that the minimum 25% public float requirement under Rule 8.08 of the Listing Rules will be restored after close of the Offer.

Under Rule 26.1 of the Takeovers Code, the Share and Warrant Subscriber is required to make the Offer for 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 Composite Offer Document is expected to be dispatched to the Shareholders on or before 5 February 2007.

Reference is made to the joint announcement dated 22 December 2006 (“**Announcement**”) made by the Share and Warrant Subscriber and the Company, the circular of the Company dated 12 January 2007 (the “**Circular**”) in relation to, among other things, the proposed issue of the Subscription Shares, the Warrant and the Note and the announcement (“**SGM Results Announcement**”) dated 29 January 2007 regarding the results of the SGM made by the Company. Unless otherwise defined, terms used herein shall have the same meaning as those defined in the Circular.

Further to the SGM Results Announcement, the Board is pleased to announce that all the conditions of the Share and Warrant Subscription Agreement have been fulfilled on 30 January 2007. The Share and Warrant Subscriber and the Company hereby announce that completion of the Share and Warrant Subscription Agreement has taken place on 31 January 2007.

Following completion of the Share and Warrant Subscription Agreement, the Share and Warrant Subscriber and parties acting in concert with it in aggregate own 3,000,000,000 Shares, representing approximately 97.17% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. Under Rule 26.1 of the Takeovers Code, the Share and Warrant Subscriber is required to make the Offer for 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 composite offer document (“**Composite Offer Document**”) containing, amongst other things, (i) the information relating to the Group, the Share and Warrant Subscriber and the Offer; (ii) the letter from the Independent Board Committee containing its recommendation and advice to the Independent Shareholders in respect of the Offer; (iii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer; and (iv) the form of acceptance and transfer in respect of the Offer, is expected to be dispatched to the Shareholders on or before 5 February 2007. The Company and the Offeror have jointly and severally undertaken to the Stock Exchange to take appropriate steps following the close of the Offer, to ensure that the minimum 25% public float requirement under Rule 8.08 of the Listing Rules will be restored after close of the Offer.

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.

As at the date of this announcement, 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. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Share and Warrant Subscriber and Mr. Poh Po Lian) and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any of their statements in this announcement misleading.

As at the date of this announcement, the sole director of the Share and Warrant Subscriber is Mr. Poh Po Lian. Mr. Poh Po Lian accepts full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Company) and confirm, having made all reasonable enquiries, that to the best of his knowledge, his opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any of his statements in this announcement misleading.

By order of the board of  
**Luck Continent Limited**  
**Poh Po Lian**  
*Sole Director*

By order of the board of  
**Foundation Group Limited**  
**Wong Ching Ping, Alex**  
*Chairman*

Hong Kong, 31 January 2007

*\* for identification purpose only*

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