



FOUNDATION GROUP LIMITED

基業控股有限公司 *

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

NOTICE OF SPECIAL GENERAL MEETING

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.”
- (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

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.

* *For identification purposes only*

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