



# TEEM FOUNDATION GROUP LTD.

## 浩基集團有限公司\*

(Incorporated in Bermuda with limited liability)  
(Stock Code: 628)

### PROPOSED CAPITAL REDUCTION AND PROPOSED CHANGE OF NAME

#### Proposed Capital Reduction

The Board announces that the Company proposes to effect a capital reduction by eliminating HK\$26,727,000 standing to the credit of the Company's share premium account as at 30 September 2006. The credit arising on the Capital Reduction will be applied to write off the Accumulated Losses in full.

#### Proposed change of Company name

The Board also announces that a special resolution is proposed to approve the change of company name from "Teem Foundation Group Ltd." to "Dore Holdings Limited". Upon the change of name becoming effective in Bermuda, the Company will adopt "多金控股有限公司" as its new Chinese name for identification purpose only. The proposed change of name is subject to, among other things (i) the approval by the Shareholders at the SGM; and (ii) the approval by the Registrar of Companies in Bermuda.

A SGM will be held to consider and, if thought fit, pass the necessary special resolutions in respect of the Capital Reduction and the proposed change of name.

A circular containing, among other things, further details about the Capital Reduction, the proposed change of name and a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

### PROPOSED CAPITAL REDUCTION

#### INTRODUCTION

The Board announces that the Company proposes to effect a capital reduction by eliminating HK\$26,727,000 standing to the credit of the Company's share premium account as at 30 September 2006. The credit of HK\$26,727,000 arising from such elimination will be applied to set off against the Accumulated Losses in full.

The Capital Reduction does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or the trading arrangements in respect of the Shares.

#### CONDITIONS

The Capital Reduction is conditional on:

- (a) the passing of a special resolution by the Shareholders at the SGM to approve the Capital Reduction; and
- (b) compliance by the Company with the requirements of section 46(2) of the Companies Act.

Subject to the fulfillment of the above conditions, the Capital Reduction will become effective on the date of passing of the special resolution by the Shareholders at the SGM to approve the Capital Reduction. No Shareholder has to abstain from voting for this resolution.

#### REASONS FOR THE CAPITAL REDUCTION

The Accumulated Losses as shown in the unaudited financial statements of the Company as at 30 September 2006 amounted to HK\$26,727,000. The Capital Reduction (and the setting off of the accumulated losses against the credit arising from the Capital Reduction) is designed to ensure that the Company will have a capital structure that would permit payment of dividends as and when the Directors consider it appropriate in the future. The Board considers that the substantial Accumulated Losses represent a permanent loss of assets of the Company and therefore proposes the reduction of the share premium account to eliminate the Accumulated Losses in full which it considers to be in the best interests of the Company and the Shareholders as a whole.

**At this stage, the Board has yet decided on the future dividend policy of the Company. Even in circumstances where the Capital Reduction becomes effective, there can be no assurance that a dividend will be declared, made or paid in the future.**

#### EFFECT OF THE CAPITAL REDUCTION

Implementation of the Capital Reduction will not of itself alter the underlying assets, business, operations, management, financial position (other than as regards the payment of relevant expenses) or the paid up share capital of the Company.

#### PROPOSED CHANGE OF NAME

The Directors also announce that a special resolution is proposed to approve the change of company name from "Teem Foundation Group Ltd." to "Dore Holdings Limited". Upon the change of name becoming effective in Bermuda, the Company will adopt "多金控股有限公司" as its new Chinese name for identification purpose only. The proposed change of name is subject to, among other things (i) the approval by the Shareholders at the SGM; and (ii) the approval by the Registrar of Companies in Bermuda.

The Directors consider that the proposed change of name can better reflect the scope of business of the Company as one of the Group's principal business is investing in the junket business in Macau and Dore Entretenimento Sociedade Unipessoal Limitada is one of the junkets which generates rolling turnover at gaming rooms of the casino located in Macau, a percentage of which forms part of the profit acquired by the Group in the acquisition announced in the announcement of the Company dated 22 March 2007.

The effective date of the proposed change of name will be the date on which the new name is entered by the Registrar of Companies in Bermuda on the register in place of the existing name. Upon the proposed change of name becoming effective, all existing share certificates bearing the current name of the Company will continue to be evidence of title of Shares and will continue to be valid for trading, settlement and registration purposes and the rights of the Shareholders will not be affected as a result of the proposed change of name. Should the proposed change of name become effective, any issue of share certificates thereafter will be in the new company name and the securities of the Company will be traded on the Stock Exchange in the new name.

A further announcement will be made by the Company when appropriate to inform Shareholders the effective date of the change of name and the new stock short name of the Shares.

#### GENERAL

A circular containing, among other matters, information as regards to the Capital Reduction, the proposed change of name together with a notice convening the SGM will be despatched to Shareholders as soon as practicable.

#### DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

"Accumulated Losses"	the accumulated losses of the Company as shown in the unaudited financial statements of the Company made up to 30 September 2006 which amounted to HK\$26,727,000
"Board"	the board of Directors
"Capital Reduction"	the proposed reduction in the capital of the Company by eliminating an amount of HK\$26,727,000 standing to the credit of the Company's share premium account as at 30 September 2006 so as to write off the Accumulated Losses
"Companies Act"	Companies Act 1981 of Bermuda
"Company"	Teem Foundation Group Ltd. (浩基集團有限公司*), a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
"Directors"	the directors of the Company from time to time
"Macau"	Macau Special Administrative Region of the People's Republic of China
"SGM"	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Capital Reduction and the proposed change of name
"Share(s)"	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
"Shareholders"	holders of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By order of the Board of  
**Teem Foundation Group Ltd.**  
**Lum Chor Wah, Richard**  
Chairman

Hong Kong, 8 June 2007

As at the date of this announcement, the Board comprises Mr. Lum Chor Wah, Richard, Mr. Pun Yuen Sang and Mr. Tang Hin Keung, Alfred who are executive Directors; Mr. Leung Chi Hung, Mr. Tsui Robert Che Kwong and Mr. Cheung Johnny Yim Kong who are independent non-executive Directors.

\* for identification purpose only