



# TEEM FOUNDATION GROUP LTD.

(浩基集團有限公司)\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 628)

## MEMORANDUM OF UNDERSTANDING

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board announces that on 13 February 2007, Team Jade, a wholly owned subsidiary of the Company, entered into the MOU with Rich Game in relation to the Possible Acquisition.

Under the MOU, the parties have agreed to use their best endeavours to negotiate in good faith to enter into the Formal Agreement in respect of the Possible Acquisition as soon as practicable, and in any event on or before 12 April 2007 or such other date as the parties may agree.

Pursuant to the MOU, Team Jade has agreed to pay a sum of HK\$45,000,000 as refundable earnest money to Rich Game forthwith upon the signing of the MOU. Such refundable earnest money has been paid by Team Jade to Rich Game upon signing of the MOU.

Following the entering into of the MOU, Team Jade will be allowed to carry out a due diligence review on the assets, liabilities, operations and affairs of the Richsense Group.

Rich Game has agreed under the MOU that it will not and will procure Richsense Group and their respective directors, officers, employees, representatives and agents will not, directly or indirectly, for a period from the date of the MOU up to the Relevant Date: (i) solicit, initiate or encourage inquiries or offers from, or (ii) initiate or continue negotiations or discussions with or furnish any information to, or (iii) enter into any agreement or statement of intent or understanding with, or (iv) permit or caused to be conducted any review of the assets, liabilities, operations and affairs of the Richsense Group by any person or entity other than Team Jade with respect to the sale or other disposition of the Sale Shares or any part thereof. If Rich Game receives any such inquiry or offer, Rich Game shall promptly notify Team Jade.

The Company intends to fund the consideration for the Possible Acquisition by way of issuing new shares of the Company, including through a placing exercise, or by way of external financing.

**The Directors wish to emphasize that the provision in the MOU for the Possible Acquisition is not legally binding and the transactions contemplated under the MOU may or may not proceed. If the Possible Acquisition is materialised, it will constitute a notifiable transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event any Formal Agreement has been signed.**

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The Board announces that on 13 February 2007, Team Jade, a wholly owned subsidiary of the Company, entered into the MOU with Rich Game in relation to the Possible Acquisition.

### MOU

**Date:** 13 February 2007

**Parties:** (i) Team Jade, a wholly owned subsidiary of the Company; and  
(ii) Rich Game

Rich Game is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company.

To the best of the Directors' knowledge, Rich Game and its ultimate beneficial owners are not connected persons of the Company and are third parties independent of the Company and its connected persons.

### Major terms of the MOU

Under the MOU, the parties have agreed to use their best endeavours to negotiate in good faith to enter into the Formal Agreement in respect of the Possible Acquisition as soon as practicable, and in any event on or before 12 April 2007 or such other date as the parties may agree (the **"Relevant Date"**).

Pursuant to the MOU, Team Jade has agreed to pay a sum of HK\$45,000,000 as refundable earnest money to Rich Game forthwith upon the signing of the MOU. Such refundable earnest money has been paid by Team Jade to Rich Game upon signing of the MOU. If the Formal Agreement is not entered into by the Relevant Date, the HK\$45,000,000 deposit will immediately be returned to the Company.

Following the entering into of the MOU, Team Jade will be allowed to carry out a due diligence review on the assets, liabilities, operations and affairs of the Richsense Group.

Rich Game has agreed under the MOU that Rich Game will not and will procure Richsense Group and their respective directors, officers, employees, representatives and agents will not, directly or indirectly, for a period from the date of the MOU up to the Relevant Date: (i) solicit, initiate or encourage inquiries or offers from, or (ii) initiate or continue negotiations or discussions with or furnish any information to, or (iii) enter into any agreement or statement of intent or understanding with, or (iv) permit or caused to be conducted any review of the assets, liabilities, operations and affairs of the Richsense Group by any person or entity other than Team Jade with respect to the sale or other disposition of the Sale Shares or any part thereof. If Rich Game receives any such inquiry or offer, Rich Game shall promptly notify Team Jade.

The Company intends to fund the consideration for the Possible Acquisition by way of issuing new shares of the Company, including through a placing exercise, or by way of external financing.

### Information on Richsense Group

Richsense is an investment holding company incorporated in the British Virgin Islands. It owns 51% of the equity interest in Worth Perfect. The rest of the 49% of the equity interest in Worth Perfect is owned by Youngrich, a wholly-owned subsidiary of the Company. The main assets of Worth Perfect are the Sands Profit acquired under Sands Profit Agreement and Wynn Profit acquired under the Wynn Profit Agreement.

Please refer to the circular of the Company dated 11 December 2006 for further information concerning Worth Perfect.

### Reasons for entering into the MOU

The Group has been looking for further investment opportunities in order to maximise the return to the Shareholders. Given the past outstanding performance of Sat Ieng and Dore in generating the rolling turnover at the relevant VIP rooms at Sands Macao and Wynn Macau respectively, which in turn contributes to the Sands Profit and Wynn Profit receivable by Worth Perfect, it is expected that the Possible Acquisition will be a good opportunity for the Group to generate income in the future.

### General

If the Formal Agreement is entered into, it is expected that the Possible Acquisition will constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or shareholders' approval requirements under the Listing Rules.

**The Directors wish to emphasize that the provision in the MOU for the Possible Acquisition is not legally binding and the transactions contemplated under the MOU may or may not proceed. If the Possible Acquisition is materialised, it will constitute a notifiable transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event any Formal Agreement has been signed.**

### DEFINITIONS

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

"Board"	the board of Directors
"Company"	Teem Foundation Group Ltd., a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
"connected persons"	has the meaning ascribed thereto in the Listing Rules
"Director(s)"	the director(s) of the Company

\* For identification purpose only

"Dore"	Dore Entretenimento Sociedade Unipessoal Limitada, a company incorporated in Macau holding a gaming promoter licence
"Formal Agreement"	the formal sale and purchase agreement which may or may not be entered into in relation to the Possible Acquisition
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MOU"	the memorandum of understanding dated 13 February 2007 entered into between Team Jade, a wholly owned subsidiary of the Company, and Rich Game, an independent third party setting out the preliminary terms in relation to the Possible Acquisition
"Possible Acquisition"	the possible acquisition by the Group of the Sale Shares
"Rich Game"	Rich Game Capital Inc., a company incorporated in the British Virgin Islands and the vendor in the Possible Acquisition
"Richsense"	Richsense Limited, a company incorporated in the British Virgin Islands and wholly-owned by Rich Game
"Richsense Group"	Richsense and its subsidiary
"Sale Shares"	100 shares of US\$1.00 each in the issued share capital of Richsense, representing the entire issued share capital of Richsense
"Sands Profit"	0.4% of the rolling turnover generated by Sat Ieng and/or its customers at Sands Macao's Paiza Club gaming rooms pursuant to the junket representative agreement dated 27 January 2006 entered into between Venetian Macau Limited, an independent third party and Sat Ieng and such other VIP gaming rooms whereby Sat Ieng is a duly appointed junket representative or such other VIP gaming rooms whereby Sat Ieng can procure the sale/assignment of a percentage of its rolling turnover generated by the duly appointed junket representatives
"Sands Profit Agreement"	the conditional agreement dated 28 August 2006 entered into among Worth Perfect as a purchaser, Global as a vendor and Mr. Tang Chien Chang as a guarantor relating to the sale and purchase of a 100% interest in the Sands Profit
"Sat Ieng"	Sat Ieng Sociedade Unipessoal Limitada, a company incorporated in Macau holding a gaming promoter licence
"Shareholder(s)"	shareholders of the Company
"Shares"	ordinary share(s) of HK\$0.10 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Team Jade"	Team Jade Enterprises Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company, the purchaser under the MOU
"Worth Perfect"	Worth Perfect International Limited, a company incorporated in the British Virgin Islands and the shares of which are owned as to 49% and 51% by Youngrich and Richsense respectively as at the date of this announcement
"Wynn Profit"	0.4% of the rolling turnover generated by Dore and/or its customers at Wynn Macau gaming rooms pursuant to junket representative agreement dated 28 August 2006 and entered into between Wynn Resorts (Macau) SA, an Independent Third Party and Dore and such other VIP gaming rooms whereby Dore is a duly appointed junket representative or such other VIP gaming rooms whereby Dore can procure the sale/assignment of a percentage of rolling turnover generated by the duly appointed junket representatives
"Wynn Profit Agreement"	the agreement dated 28 August 2006 entered into among Worth Perfect as a purchaser, Smart as a vendor and Mr. Jean, Christophe Scolari as a guarantor relating to the sale and purchase of a 100% interest in the Wynn Profit
"Youngrich"	Youngrich Limited, a company incorporated in the British Virgin Islands and wholly-owned by the Group
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"US\$"	United States of America dollar(s), the lawful currency of the United States of America

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

Hong Kong, 13 February 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.*