



TEEM FOUNDATION GROUP LTD.
(浩基集團有限公司)*

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

DISCLOSEABLE TRANSACTION
ACQUISITION OF PROPERTY

On 22 July 2005, Triumph Bright International Limited, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor, an Independent Third Party, to acquire the Property at a consideration of HK\$10,000,000.

The Acquisition contemplated under the Provisional Agreement constitutes a discloseable transaction of the Company under the Listing Rules. A circular containing details of the Acquisition will be despatched to shareholders of the Company as soon as possible.

THE PROVISIONAL AGREEMENT

1. Date of execution : 22 July 2005
2. Parties : Purchaser: Triumph Bright International Limited (凱亮國際有限公司), a limited liability company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Company.
Vendor: Silvershop Limited (銀添有限公司), a limited liability company incorporated under the laws of Hong Kong, which is an investment holding company.
To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Vendor, together with its beneficial owners, are Independent Third Parties.
3. Property : The Property comprises all those pieces or parcels of ground registered in the Tuen Mun New Territories Land Registry as (i) section A of Lot No. 391 in Demarcation District No. 131 and (ii) portion of remaining portion of Lot No. 391 in Demarcation District No. 131 ("Portion of Remaining Portion"). The Property is now used as a car parking area which is under a monthly tenancy and vacant possession of the Property will be delivered on completion.
The Property is for non-residential use and has a total area of 2,421.4 m². The exact area of the Portion of Remaining Portion will be ascertained and confirmed upon the issue of the plan to be annexed to the formal assignment of the Property on completion.
Valuation of the Property will be incorporated in the circular to be despatched to the shareholders of the Company.
Book value of the Property is HK\$10,000,000.
4. Consideration : The consideration of HK\$10,000,000 was agreed after arm's length negotiations between both parties by reference to the current market value of similar properties for non-residential uses in the market in the adjacent areas in Tuen Mun which is to be paid in cash in the following manner:
 - (a) HK\$3,000,000, being the initial deposit, be paid to the Vendor upon signing of the Provisional Agreement, by way of transferring such amount (which had already been paid to the Vendor's solicitors) from the Vendor's solicitors to the Vendor; and
 - (b) The balance of HK\$7,000,000 be paid upon completion which will take place on or before 30 September 2005. If the Purchaser fails to pay the balance of purchase price on completion in accordance with the Provisional Agreement, the Vendor may forthwith terminate the Provisional Agreement and forfeit the deposits paid by the Purchaser. Upon such termination of the Provisional Agreement, the Vendor may resell the Property to third party and the Purchaser shall not raise any objection relating thereto.
5. Other principal terms :
 - (a) The Provisional Agreement is a binding provisional agreement between the parties who will sign a formal sale and purchase agreement relating to the Property on or before 12 August 2005. There is no condition precedent for completing the sale and purchase of the Property;
 - (b) On completion, the Vendor will deliver to the Purchaser the Property on an "as is" basis; and
 - (c) At all times before completion, the Purchaser will not without the written permission of the Vendor apply to the Government for any development in the Property.

REASONS FOR THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in the trading of timber and the provision and installation of fire-rated timber door sets (being capable of resisting the action of fire), as well as the provision of interior decoration and renovation services and other carpentry works mainly in Hong Kong.

The Property is held by the Company for investment purpose. The Board considers that given the prevailing upturn of the Hong Kong economy and the property market, the Directors including the independent non-executive Directors consider that the acquisition of the Property represents an investment opportunity for the Group and enhances its property portfolios. The Acquisition will be funded by the Group's internal resources and there is no material effect from the Acquisition on the earnings of the Company. As at the date hereof, the Board does not have any concrete plan as to how to use or redevelop the Property.

The Directors including the independent non-executive directors are of the view that the Acquisition is in the interests of the Company and the terms of the Acquisition are fair and reasonable and the Acquisition is in the interest of the shareholders of the Company as a whole.

INFORMATION ON THE GROUP

The principal activities of the Group comprise the trading of timber and the provision and installation of fire-rated timber door sets (being capable of resisting the action of fire), as well as the provision of interior decoration and renovation services and other carpentry works mainly in Hong Kong.

GENERAL

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. A circular containing details of the Acquisition will be despatched to the shareholders of the Company as soon as possible.

DEFINITIONS

"Acquisition"	the acquisition of the Property pursuant to the Provisional Agreement
"Provisional Agreement"	the provisional agreement for sale and purchase entered into between the Purchaser and the Vendor on 22 July 2005 relating to the Acquisition
"associates"	as defined in the Listing Rules
"Board"	the board of Directors
"Company"	Teem Foundation Group Ltd., a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"Independent Third Party"	an independent third party not connected with any of the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules)
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Property"	as defined in paragraph 3 above
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 29 July 2005

As at the date of this announcement, the executive Directors are Mr. Lum Chor Wah, Richard, Mr. Yeung Tony Ming Kwong, Mr. Pun Yuen Sang, Mr. Tang Hin Keung, Alfred and the independent non-executive Directors are Mr. Leung Chi Hung, Mr. Tsui Robert Che Kong and Mr. Lam Allan Shu Cheuk.

* For identification purpose only