



TEEM FOUNDATION GROUP LTD.

浩基集團有限公司*

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

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an special general meeting (the “**Meeting**”) of Teem Foundation Group Ltd. (the “**Company**”) will be held at Boardroom 2, M/F, Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Friday, 8 June 2007 at 9:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. **“THAT**
 - (a) the authorized share capital of the Company be and is hereby increased from HK\$100,000,000 divided into 1,000,000,000 shares of HK\$0.10 each (“**Shares**”) to HK\$200,000,000 divided into 2,000,000,000 Shares by the creation of an additional 1,000,000,000 Shares (the “**Proposed Increase in Authorized Share Capital**”).
 - (b) any one or more of the directors of the Company (the “**Directors**”) be and is/are hereby authorized for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things deemed by them to be incidental to, ancillary to or in connection with the matters contemplated in and for completion of the Proposed Increase in Authorized Share Capital.”
2. **“THAT** the conditional agreement (the “**Amendment Agreement**”) dated 22 March 2007 and entered into between the Company and Rich Game Capital Inc. (“**Rich Game**”) in relation to the amendments made to the instrument constituting a convertible bond in a principal sum of HK\$134.4 million (a copy of which has been produced to the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified.”
3. **“THAT** subject to the passing of the resolution no. 2 above,
 - (a) the conditional sale and purchase agreement (the “**Share Acquisition Agreement**”) dated 27 February 2007 and entered into among Team Jade Enterprises Limited (“**Team Jade**”), a wholly-owned subsidiary of the Company, as purchaser, Rich Game as vendor and warrantor and Global Rainbow Ltd., Smart Gallant Limited, Mr. Tang Chien Chang and Mr. Jean, Christophe Scolari, as warrantors as supplemented by a supplemental agreement (the “**Supplemental Agreement**”) dated 22 March 2007 and entered into among the parties to the Share Acquisition Agreement in relation to the sale and purchase of 100 ordinary shares of US\$1.00 each in the share capital of Richsense Limited (the “**Richsense**”), representing the entire issued share capital of Richsense, at a consideration of HK\$765 million (copies of the Share Acquisition Agreement and the Supplemental Agreement have been produced to the Meeting marked “B” and “C” respectively and signed by the chairman of the Meeting for the purpose of identification) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
 - (b) any one or more of the Directors be and is/are hereby authorised to do all other acts and things and execute all documents which he/they consider necessary or expedient for the implementation of and giving effect to the Share Acquisition Agreement as supplemented by the Supplemental Agreement and the transactions contemplated thereunder;
 - (c) the issue of a convertible bond (the “**Second Convertible Bond**”) in the principal amount of HK\$118.8 million by the Company in accordance with the terms and conditions of the Share Acquisition Agreement as supplemented by the Supplemental Agreement and the transactions contemplated thereunder be and is hereby approved;
 - (d) any one or more of the Directors be and is/are hereby authorised to take all steps necessary or expedient in his/their opinion to implement and/or give effect to the issue of the Second Convertible Bond including but not limited to the allotment and issue of ordinary shares of HK\$0.10 each in the share capital of the Company of which may fall to be issued upon the exercise of the conversion rights attached to the Second Convertible Bond;
 - (e) the allotment and issue of an aggregate of 17,560,000 ordinary shares (the “**Consideration Shares**” and each a “**Consideration Share**”) of HK\$0.10 each of the Company credited as fully paid at an issue price of HK\$1.525 per Consideration Share to Rich Game pursuant to the Share Acquisition Agreement as supplemented by the Supplemental Agreement be and is hereby approved; and
 - (f) any one or more of the Directors be and is/are hereby authorised to allot and issue the Consideration Shares in accordance with the terms of the Share Acquisition Agreement and to take all steps necessary or expedient in its opinion to implement and/or give effect to the allotment and issue of the Consideration Shares.”

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

Hong Kong, 22 May 2007

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:
Room 2108
Two International Finance Centre
No.8 Finance Street
Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, vote in his stead. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notorially certified copy of such power or authority, at the offices of the Company’s Hong Kong share registrar in Hong Kong, Union Registrars Limited at Room 1803, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above Meeting or any adjournment thereof, should he so wish.
3. In the case of joint holders of shares, any one of such holders may vote at the Meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.

* For identification purposes only

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.