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TEEM FOUNDATION GROUP LTD.

(浩基集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 628)

FURTHER DELAY IN DESPATCH OF CIRCULAR

As further time is required (i) to collate and finalize the information for the accountants reports showing the past financial performance of Sat Ieng; (ii) to finalize the letter of advice by the independent financial adviser; and (iii) to collate and finalize information concerning the internal control procedures, the Company has further applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38 of the Listing Rules and a further extension of time for the dispatch of the Circular to on or before 31 August 2006.

Reference is made to the press announcement (the **“First Announcement”**) issued by the Company dated 6 April 2006 in relation to, among other things, the Acquisition and the press announcement (the **“Second Announcement”**) dated 27 April 2006 in relation to the delay in dispatch of the Circular. Capitalised terms used in this announcement shall have the same meanings as those defined in the First Announcement and the Second Announcement unless otherwise stated.

Pursuant to Rule 14.38 of the Listing Rules, the Company is required to despatch the Circular to the Shareholders within 21 days after the publication of the First Announcement, which shall be on or before 28 April 2006. As set out in the Second Announcement, the time for dispatch of the Circular has been extended to on or before 29 May 2006. At present, almost all the relevant information has been included in the Circular, except that more time is required (i) to collate and finalize the information for the accountants reports showing the past financial performance of Sat Ieng; (ii) to finalize the letter of advice by the independent financial adviser; and (iii) to collate and finalize information concerning the internal control procedures. Therefore, the Company has further applied to the Stock Exchange for a waiver from strict compliance with Rule 14.38 and a further extension of time for the dispatch of the Circular to on or before 31 August 2006.

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

Hong Kong, 26 May 2006

* for identification purpose 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. Lam Allan Shu Cheuk who are independent non-executive Directors.