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TEEM FOUNDATION GROUP LIMITED

(Incorporated in the Bermuda with limited liability)

HIGH CONCENTRATION OF SHAREHOLDINGS

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As at 18 February 2003, 342,720,000 Shares (representing 51% of the then total issued share capital of the Company) were held by Mr. Chu Chi Ming, the executive director of the Company, and 161,280,000 Shares (representing 24% of the then total issued share capital of the Company) were held by Pan-Star Nominees Limited, a company beneficially owned by Mr. Pun Yuen Sang and Mr. Tang Hin Keung Alfred, the executive directors of the Company and Mr. Wei Ming, while an aggregate 140,768,000 Shares (representing approximately 20.96% of the then total issued share capital of the Company) were held by eleven shareholders.

As the aggregate shareholdings accounted for almost 95.96% of the then total issued share capital of the Company, there may be too few Shares in the hands of other public shareholders to maintain an orderly market.

Shareholders of the Company and the public are advised to exercise extreme caution when dealing in the securities of the Company.

HIGH CONCENTRATION OF SHAREHOLDINGS

The Directors have been informed by the Stock Exchange that on the basis provided by the Securities and Futures Commission to the Stock Exchange:

- (1) as at the close of business on 18 February 2003, 342,720,000 Shares (representing 51% of the then total issued share capital of the Company) were held by Mr. Chu Chi Ming, and 161,280,000 Shares (representing 24% of the then total issued share capital of the Company) were held by Pan-Star, a company beneficially owned as to 30% by Mr. Pun Yuen Sang, 30% by Mr. Tang Hin Keung Alfred, and 40% by Mr. Wei Ming. Both Mr. Pun Yuen Sang and Mr. Tang Hin Keung Alfred are executive directors of the Company; and
- (2) as at the close of business on 18 February 2003, an aggregate 140,768,000 Shares (representing approximately 20.96% of the then total issued share capital of the Company) were held by eleven other shareholders (the "Eleven Shareholders").

The Shares held by the Eleven Shareholders referred to in paragraph (2) above and Mr. Chu Chi Ming and Pan-Star Nominees Limited together accounted for 95.96% of the then total issued share capital of the Company, leaving only 27,232,000 Shares, representing 4.04% of the total issued share capital of the Company, in the hands of other public shareholders. There may be too few Shares in the hands of other public shareholders to maintain an orderly market.

Other than the interests disclosed by Mr. Chu and Pan-Star, no other person is recorded in the registrar under section 16(1) of the Securities (Disclosure of Interests) Ordinance as having an interest in 10% or more of the issued share capital of the Company as at the date of this announcement.

Mr. Chu and Pan-Star have advised the Board that they and their associates are not connected with any other shareholders (as defined in the Listing Rules) of the Company. Mr. Pun Yuen Sang, Mr. Tang Hin Keung Alfred and Mr. Wei Ming have confirmed that they are interested in the Shares through their respective shareholdings in Pan-Star only. Each of the Directors has confirmed to the Board that, save as disclosed in this announcement, neither he nor his associates (as defined in the Listing Rules) hold any Share as at the date of this announcement.

The Board confirms that as at the date of this announcement, 75% of the Company's issued share capital is held by Mr. Chu and Pan-Star, which is not regarded as public shareholders. As the Board confirms that there is no connected person (as defined in the Listing Rules) of the Company other than Mr. Chu and Pan-Star holding any Share of the Company, there is a sufficient number of shares representing 25% of the issued share capital of the Company held by the public to meet the requirements of Rule 8.08 of the Listing Rules.

In view of the concentration of the Company's public float in the hands of a small number of shareholders as at 18 February 2003, shareholders of the Company and the public are advised to exercise extreme caution when dealing in the securities of the Company.

DEFINITIONS

Unless the context otherwise requires, the terms and expressions below shall have the meanings defined below:

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| “Board” | the board of Directors |
| “Company” | Teem Foundation Group Limited, a company whose shares are listed on the Stock Exchange |
| “Director(s)” | director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mr. Chu” | Mr. Chu Chi Ming, the Company's executive director |
| “Pan-Star” | Pan-Star Nominees Limited, a company which is beneficially owned by Mr. Pun Yuen Sang and Mr. Tang Hin Keung Alfred, the Company's executive directors and Mr. Wei Ming, an independent third party not connected with the Directors, chief executive or substantial shareholder of the Company or its subsidiaries or any of their respective associates |

“Share(s)” share(s) of HK\$0.10 each in the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By order of the board of Directors of
Teem Foundation Group Limited
Mak Kui Yuen
Director

Hong Kong, 28 March 2003

The Directors jointly and severally accept responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, the opinions expressed by them have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Please also refer to the published version of this announcement in The Standard.