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C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

**RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND
CHANGE OF COMPOSITION OF THE AUDIT COMMITTEE**

The board of directors (the “**Board**”) of C Y Foundation Group Limited (the “**Company**”) hereby announces that Mr. LAW Chiu William (“**Mr. Law**”) has tendered his resignation as an independent non-executive Director of the Company with effect from 1 March 2012 since he needs to focus more on his own business and may not be able to dedicate adequate time and resources to the Company particularly when the Company is now working actively on resumption of trading.

Mr. Law confirmed that he has no disagreement with the Board and there are no other matters that need to be brought to the attention to the shareholders of the Company or The Stock Exchange of Hong Kong Limited in relation to his resignation.

Following the resignation of Mr. Law, Mr. Law will cease to be a member of the Audit Committee with effect from 1 March 2012. Accordingly, Mr. IO Rudy Cheok Kei (“**Mr. Io**”) has been appointed as a member of the Audit Committee in replacement thereof.

With effect from 1 March 2012, the members of the Audit Committee will be Mr. LAI Hock Meng (Chairman), Mr. BALAKRISHNAN Narayanan and Mr. Io.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Law for his valuable contribution to the Board during his tenure of service.

On behalf of the Board
C Y Foundation Group Limited
Sneah Kar Loon
Chairman

Hong Kong, 27 January 2012

As at the date of this announcement, the executive Directors of the Company are Mr. SNEAH Kar Loon and Mr. SIK Siu Kwan, the non-executive Director is Mr. NG Kwok Lun, the independent non-executive Directors are Mr. LAI Hock Meng, Mr. LAW Chiu William, Mr. BALAKRISHNAN Narayanan, Mr. YONG Peng Tak and Mr. IO Rudy Cheok Kei.