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**C Y FOUNDATION GROUP LIMITED**  
(incorporated in Bermuda with limited liability)  
(Stock code: 1182)

**Discloseable Transactions – Second Supplemental Agreement**

The Board announces that on 6 February 2009, Cheer Crowd Limited (“Subscriber”, being a wholly owned subsidiary of the Company), Profit Grow (Hong Kong) Limited (“Profit Grow”) and Zhongcheng Satellite Technology Centre (Overseas) Ltd (“Zhongcheng”) entered into the Second Supplemental Agreement, respectively, whereby the parties have agreed to extend the Long Stop Date from 10 February 2009 to 9 April 2009, the deadline for the raising of the funds from 5 February 2009 to 6 April 2009 and the deadline for the completion of the due diligence review from 30 January 2009 to 31 March 2009 respectively.

Reference is made to the First Announcement (“First Announcement”) and the Circular (“Circular”) of the Company dated 14 November 2008 and 5 December 2008 respectively in relation to a discloseable transaction. Capitalized terms used herein shall have the same meanings as those defined in the Circular unless the context otherwise requires.

This announcement is made pursuant to Rule 14.36 of the Listing Rules for the delay in completion of the Subscription.

**THE SECOND SUPPLEMENTAL AGREEMENT**

On 6 February 2009, the Subscriber, Profit Grow and Zhongcheng entered into a second supplemental agreement (“Second Supplemental Agreement”) respectively, whereby the parties have agreed to (i) extend the Long Stop Date from 10 February 2009 to 9 April 2009; (ii) extend the deadlines for the fulfillment of two of the Conditions Precedent to the Subscription i.e. (a) for the raising of funds of no less than US\$20 million by the Company or the Subscriber for the Subscription as well as the transactions contemplated under the Agreement, from 5 February 2009 to 6 April 2009 and (b) for the completion of a due diligence review to the satisfaction of the Subscriber, from 30 January 2009 to 31 March 2009.

Save as disclosed above, all other major terms and conditions of the Agreement (as supplemented by the Supplemental Agreement) as disclosed in the First Announcement shall remain the same.

This announcement is made pursuant to Rule 14.36 of the Listing Rules for the delay in

completion of the Subscription.

## **REASON FOR ENTERING INTO THE SECOND SUPPLEMENTAL AGREEMENT**

Taking into account the business potential and the prospects of the RFID technology related business as described in the First Announcement, more time should be allowed for the raising of funds required for the Subscription and the related transactions contemplated under the Agreement in view of the present market sentiment. The Directors consider that the entering into of the Second Supplemental Agreement is in the interests of the Company and the Shareholders as a whole and the terms of the Second Supplemental Agreement are fair and reasonable.

By order of the Board  
**Cheng Chee Tock Theodore**  
*Chairman*

Hong Kong, 6 February 2009

As at the date hereof, the executive directors of the Company are Mr CHENG Chee Tock Theodore (Chairman), Dato POH Po Lian, Mr WOELM Samuel, Mr WU Chuang John and Mr CAO Dongxin; and the independent non-executive directors are Mr SZE Tsai Ping Michael, Dr CHOW Steven, and Mr WANG Shan Chuan.