

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this announcement.



FOUNDATION GROUP LIMITED

基業控股有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

PROPOSED CHANGE OF COMPANY NAME AND RESIGNATION OF DIRECTOR

The Directors propose to change the name of the Company from “Foundation Group Limited” to “CY Foundation Group Limited”, and adopt “中青基業集團有限公司” as its new Chinese name for identification purpose.

A circular containing details regarding the proposed change of name of the Company and a notice of the SGM will be dispatched to the Shareholders as soon as possible.

The Board also announces that Mr. Lim Direk (“Mr. Lim”) has resigned as executive director of the Company on 21 March 2007.

CHANGE OF NAME OF THE COMPANY

The Board proposes to change the name of the Company from “Foundation Group Limited” to “CY Foundation Group Limited”, and adopt “中青基業集團有限公司” as its new Chinese name for identification purpose.

The proposed change of name of the Company is to signify the Company’s change in controlling shareholder and the milestone of stepping into a new era of new on-line game business, details of which are stated in the announcement of the Company dated 8 March 2007 (“Announcement”). The Company has agreed with Network Movie Centre of the Central Committee of the Communist Youth League of China (“CYL Movie Centre”) for the Company to use the new name which bears an initial “CY”. Details of CYL Movie Centre have been stated in the Announcement. The Board considers that the proposed new name of the Company provides a better identification of the Company’s new development, which the Board considers is in the interest of the Company and the Shareholders as a whole.

The proposed change of name of the Company is subject to (i) the passing of a special resolution by the Shareholders at the SGM; and (ii) the Registrar of Companies in Bermuda approving the proposed change of name of the Company.

SHARE CERTIFICATES

The proposed change of name of the Company will not affect any of the rights of the existing Shareholders. The share certificates bearing the Company’s existing name will continue to be evidence of title and valid for trading, settlement and registration purposes. There will be arrangement for free exchange of existing share certificates for new share certificates under the new name of the Company. New share certificates of the Company will be issued under the new name of the Company after the change of its name has become effective. A further announcement will be made to set out the details for the arrangement on free exchange of share certificates once the change of the name of the Company becomes effective.

GENERAL

A circular containing details regarding the proposed change of name of the Company and a notice convening the SGM to seek the Shareholders’ approval will be dispatched to the Shareholders as soon as possible.

RESIGNATION OF DIRECTOR

The Board also announces that Mr. Lim Direk (“Mr. Lim”) has resigned as executive director of the Company on 21 March 2007.

Mr. Lim has confirmed that he is not aware of any matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company. He has also confirmed that his resignation is for personal reasons and that he does not have any disagreement with the Board. The Board would like to express its gratitude to Mr. Lim for his valuable contributions to the Company and offers its best wishes to him.

DEFINITIONS

In this announcement, the following terms have the following meanings:

“Board”	the board of Directors
“Company”	Foundation Group Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange
“Directors”	director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“SGM”	the special general meeting of the Company to be convened for the purpose of approving the change of name of the Company

“Share(s)” ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)” holder(s) of the Share(s)
“Stock Exchange” The Stock Exchange of Hong Kong Limited

By order of the Board
Foundation Group Limited
Cheng Chee Tock, Theodore
Chairman

Hong Kong, 21 March 2007

As at the date of this announcement, the executive directors are Mr. Cheng Chee Tock, Theodore (Chairman of the Company) and Mr. Poh Po Lian and the independent non-executive directors are Mr. Chu Kar Wing, Dr. Chow King Wai and Mr. Tang Yiu Wing.

** For identification purposes only*

Please also refer to the published version of this announcement in South China Morning Post - Business.