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C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

**(A) POLL RESULTS OF THE SPECIAL GENERAL MEETING
HELD ON 17 SEPTEMBER 2012;
(B) FULFILMENT OF ALL THE CONDITIONS
OF THE SHARE CONSOLIDATION; AND
(C) ADJUSTMENTS TO THE CONVERTIBLE NOTES**

The Board is pleased to announce that (i) the Ordinary Resolution as set out in the notice of the SGM dated 31 August 2012 to approve the Share Consolidation was duly passed by the Shareholders by way of poll at the SGM held on Monday, 17 September 2012 and (ii) all the conditions to the Share Consolidation have been satisfied and the Share Consolidation will take effect on Tuesday, 18 September 2012.

Pursuant to the terms of the Convertible Notes, as a result of the Share Consolidation, the conversion price of the outstanding Convertible Notes will be adjusted from HK\$0.0573 per Existing Share to HK\$0.573 per Consolidated Share and the number of conversion Shares to be issued upon full conversion of the conversion rights attached to the outstanding Convertible Notes will be adjusted from 349,040,139 Existing Shares to 34,904,013 Consolidated Shares.

Reference is made to the announcement of the Company and the circular of the Company dated 31 August 2012 (the “**Circular**”) relating to, among other things, the Share Consolidation. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Circular.

(A) POLL RESULTS OF THE SGM

The board of directors (the “**Board**”) of C Y Foundation Group Limited (the “**Company**”) is pleased to announce that the ordinary resolution as set out in the notice of the SGM dated 31 August 2012 in relation to the Share Consolidation (the “**Ordinary Resolution**”) was duly passed by the Shareholders by way of poll at the SGM held on Monday, 17 September 2012. The poll results were as follows:

| Ordinary Resolution | Number of Shares Voted (Approximate %) | |
|---|---|-------------------------|
| | For | Against |
| To approve, among others, the Share Consolidation (<i>Note</i>) | 3,243,619,127 (78.86%) | 869,262,855 (21.14%) |

Note: Please refer to the full text of the Ordinary Resolution as set out in the notice of the SGM dated 31 August 2012 for details.

As at the time of the SGM, the number of Shares in issue was 6,968,710,326 Existing Shares, which was the total number of Existing Shares entitling the Shareholders to attend and vote for or against the Ordinary Resolution at the SGM.

A total of 4,112,881,982 Existing Shares were held by Shareholders who attended, either in person or by proxy, and voted for or against the Ordinary Resolution at the SGM.

As more than 50% of the votes were cast in favour of the Ordinary Resolution, the Ordinary Resolution was duly passed by way of poll at the SGM.

No Shareholders were subject to any restrictions in casting their votes on the Ordinary Resolution at the SGM. No parties had indicated in the Circular that they intended to vote against or to abstain from voting on the Ordinary Resolution at the SGM.

There were no Shares entitling the Shareholders to attend and abstain from voting in favour of the Ordinary Resolution at the SGM as set out in Rule 13.40 of the Listing Rules. No Shareholders or their associates were required under the Listing Rules to abstain from voting on the Ordinary Resolution at the SGM.

Tricor Secretaries Limited, the Company's branch share registrar, was appointed to act as the scrutineer for the vote-taking at the SGM.

(B) FULFILMENT OF ALL THE CONDITIONS OF THE SHARE CONSOLIDATION

The Board is pleased to announce that on Wednesday, 12 September 2012, the Listing Committee of the Stock Exchange has granted its approval to the listing of, and permission to deal in, the Consolidated Shares. As such, all the conditions to the Share Consolidation have been satisfied and the Share Consolidation will take effect on Tuesday, 18 September 2012.

Shareholders are advised to refer to the "EXPECTED TIMETABLE" as set out on page 3 of the Circular for details of the relevant trading arrangements in relation to the Share Consolidation (including but not limited to the trading of odd lots (if any) and the exchange of share certificates).

(C) ADJUSTMENTS TO THE CONVERTIBLE NOTES

There are outstanding Convertible Notes in the principal amount of HK\$20,000,000 as at the date of this announcement. Pursuant to the terms of the Convertible Notes, as a result of the Share Consolidation, the conversion price of the outstanding Convertible Notes will be adjusted from HK\$0.0573 per Existing Share to HK\$0.573 per Consolidated Share with effect from the close of business in Hong Kong on the day immediately preceding the date on which the Share Consolidation becomes effective, and the aggregate number of Consolidated Shares falling to be issued upon exercise of the conversion rights attached to the outstanding Convertible Notes in full will be adjusted from 349,040,139 Existing Shares to 34,904,013 Consolidated Shares.

By order of the Board
C Y Foundation Group Limited
Sneah Kar Loon
Chairman

Hong Kong, 17 September 2012

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