

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*

## **C Y FOUNDATION GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1182)**

### **PROPOSED OPEN OFFER ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE**

**Underwriter to the Open Offer**



**KINGSTON SECURITIES LTD.**

The Board proposes to raise approximately not less than HK\$34.8 million and not more than HK\$36.6 million before expenses, by way of Open Offer of not less than 348,435,516 new Shares and not more than 365,887,522 new Shares at the Subscription Price of HK\$0.10 per Offer Share on the basis of one (1) Offer Share for every two (2) Shares held on the Record Date and payable in full on acceptance. The Open Offer will not be extended to the Prohibited Shareholders.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, all transfers of Shares must be lodged for registration with the Registrar by 4:00 p.m. on Friday, 2 November 2012. The register of members of the Company will be closed from Monday, 5 November 2012 to Wednesday, 7 November 2012, both dates inclusive, to determine the eligibility of the Open Offer.

The Underwriter has conditionally agreed to underwrite the Offer Shares which have not been taken up. Accordingly, the Open Offer is fully underwritten.

The estimated net proceeds from the Open Offer will be not less than approximately HK\$33.5 million and not more than approximately HK\$35.3 million. The Board intends to apply the net proceeds from the Open Offer as to not more than HK\$20 million for expansion of the Group's existing packaging business and as to the remaining for general working capital purposes.

#### **WARNING OF THE RISK OF DEALINGS IN THE SHARES**

**Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.**

**Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Thursday, 1 November 2012 and that dealing in the Offer Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be at 4:00 p.m. on Tuesday, 27 November 2012), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

The Company will send the Prospectus Documents to the Qualifying Shareholders and the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders on or before Friday, 9 November 2012.

## PROPOSED OPEN OFFER

The Board proposes to raise approximately not less than HK\$34.8 million and not more than HK\$36.6 million before expenses, by way of Open Offer of not less than 348,435,516 new Shares and not more than 365,887,522 new Shares at the Subscription Price of HK\$0.10 per Offer Share on the basis of one (1) Offer Share for every two (2) Shares held on the Record Date and payable in full on acceptance.

### Issue statistics

Basis of the Open Offer:	One (1) Offer Share for every two (2) Shares held on the Record Date
Subscription Price:	HK\$0.10 per Offer Share
Number of Shares in issue as at the date of this announcement:	696,871,032 Shares
Number of Offer Shares:	Not less than 348,435,516 new Shares and not more than 365,887,522 new Shares
Number of Offer Shares underwritten by the Underwriter:	All the Offer Shares
Number of Shares in issue immediately upon completion of the Open Offer:	Not less than 1,045,306,548 Shares and not more than 1,097,662,567 Shares

As at the date of this announcement, the Company has outstanding Convertible Notes in the principal amount of HK\$20,000,000 which is convertible into 34,904,013 Shares at the conversion price of HK\$0.573 per Share (subject to adjustments). Save for the Convertible Notes, the Company has no other outstanding warrants, options or convertible securities as at the date of this announcement.

## **Qualifying Shareholders**

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders and (ii) the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders.

To qualify for the Open Offer, the Shareholders must at the close of business on the Record Date: (i) be registered on the register of members of the Company; and (ii) not be the Prohibited Shareholders. In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer of the Shares (with the relevant share certificates) for registration with the Registrar by 4:00 p.m. on Friday, 2 November 2012.

The invitation to subscribe for the Offer Shares to be made to the Qualifying Shareholders will not be transferable.

## **Closure of register of members**

The register of members of the Company will be closed from Monday, 5 November 2012 to Wednesday, 7 November 2012, both dates inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during this period.

## **Subscription Price**

The Subscription Price is HK\$0.10 per Share, payable in full on application. The Subscription Price represents:

- (i) a discount of approximately 35.90% to the closing price of HK\$0.156 per Share as quoted on Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 34.38% to the average of the closing prices of HK\$0.1524 per Share for the last five consecutive trading days including and up to the Last Trading Day; and
- (iii) a discount of approximately 27.17% to the theoretical ex-entitlement price of approximately HK\$0.1373 per Share based on the closing price of HK\$0.156 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the prevailing market price of the Shares and the financial positions of the Group. In view of the long suspension of trading of the Shares on the Stock Exchange prior to 17 July 2012 and taking into consideration of the theoretical ex-entitlement price per Share, in order to increase the attractiveness of the Open Offer to the Qualifying Shareholders, the Directors (including the independent non-executive Directors) consider that the proposed discount of the Subscription Price to the market price is appropriate. Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Directors (including the independent non-

executive Directors) consider the Subscription Price to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### **Status of the Offer Shares**

The Offer Shares (when allotted, fully paid and issued) will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Offer Shares. Holders of the Offer Shares will be entitled to receive all future dividends and distributions, which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

### **Certificates of the Offer Shares**

Subject to fulfillment of the conditions of the Open Offer, share certificates for the Offer Shares are expected to be posted on or before Thursday, 29 November 2012 to those entitled thereto by ordinary post at their own risk.

### **Rights of the Overseas Shareholders**

If, at the close of business on the Record Date, any Shareholder's address on the register of members of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents will not be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong and Bermuda. The Board will make enquiries to its lawyers as to whether the issue of Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange pursuant to the Listing Rules. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient not to offer the Offer Shares to such Overseas Shareholders, no provisional allotment of Offer Shares will be made to such Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Prohibited Shareholders.

### **No application for excess Offer Shares**

After arm's length negotiation with the Underwriter, the Board decided that the Qualifying Shareholders will not be entitled to subscribe for any Offer Share in excess of their respective assured entitlements. Given that under the proposed Open Offer, each Qualifying Shareholder will be given equal and fair opportunities to participate in the Company's future development by subscribing for his/her/its entitlements under Open Offer, the Board considers that it will put in additional effort and costs to administer the excess application procedures. Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to subscribe or procure subscription for the Offer Shares which have not been taken up by the Qualifying Shareholders.

## **Fractional entitlements**

Fractional entitlements to Offer Shares will not be issued but will be aggregated and taken up by the Underwriter.

## **Application for listing**

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Offer Shares.

## **UNDERWRITING ARRANGEMENT**

### **Underwriting Agreement**

Date:	19 October 2012 (after trading hours)
Underwriter:	Kingston Securities Limited
Number of Offer Shares underwritten:	Pursuant to the terms and conditions of the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite any Offer Shares which have not been taken up. Accordingly, the Open Offer is fully underwritten.

To the best of the Directors' knowledge, information and belief, the Underwriter and its associates are Independent Third Parties. As at the date of this announcement, the Underwriter is interested in 6 Shares.

A commission of 2% of the value of the maximum number of Offer Shares committed to be underwritten by the Underwriter under the Open Offer will be payable to the Underwriter and the Company will reimburse the Underwriter for all reasonable costs and expenses incurred by the Underwriter in connection with the Open Offer under the Underwriting Agreement. The Directors (including the independent non-executive Directors) consider that the amount and the basis of the underwriting commission are fair and reasonable and the commission rate is comparable to the current market rate.

In the event of the Underwriter is being called upon to subscribe for or procure subscription for the untaken Offer Shares, the Underwriter shall not subscribe, for its own account, for such number of untaken Offer Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; and the Underwriter shall use its best endeavours to ensure that each of the subscribers of the untaken Offer Shares procured by it (i) shall be an Independent Third Party and not acting in concert with the Directors or chief executive of the Company or substantial shareholders of the Company or their respective associates; and (ii), save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.0% or more of the voting rights of the Company as enlarged by the Offer Shares upon completion of the Open Offer, such that the Company will be able to comply with the minimum public float requirement sets out under Rule 8.08(1) of the Listing Rules.

## **Termination of the Underwriting Agreement**

If, prior to the Latest Time for Termination (provided that for the purposes if the date of the Latest Time for Termination shall be a Business Day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains in force in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Shares on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the announcement in respect of Open Offer or the Prospectus Documents or other announcements or circulars in connection with the Open Offer,
- (8) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

### **Conditions of the Open Offer**

The Open Offer is conditional upon:

- (1) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively not later than the Prospectus Posting Date of one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (2) the registration with the Registrar of Companies in Bermuda of one copy of each of the Prospectus Documents duly (if required) signed by one Director (for and on behalf of all Directors) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Companies Act 1981 of Bermuda, as amended from time to time, on or as soon as practicable after the Prospectus Posting Date;



- (3) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and the Overseas Letter to the Prohibited Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;
- (4) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- (5) if necessary, the Bermuda Monetary Authority granting consent to the issue of the Open Offer Shares by the Latest Time for Termination or such other time as the Underwriter may agree with the Company in writing;
- (6) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms at or before the Latest Time for Termination; and
- (7) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement and the representations and warranties given by the Company under the Underwriting Agreement remaining true, correct and not misleading in all material respects.

The above conditions precedent are incapable of being waived. If the conditions precedent are not satisfied in whole or in part by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, the Underwriting agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

## **REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS**

The Company is an investment holding company. The principal activities of the Group are engaged in the manufacturing and sales of packaging products, operating internet and digital entertainment business and watch trading.

The estimated net proceeds from the Open Offer will be not less than approximately HK\$33.5 million and not more than approximately HK\$35.3 million. The Board intends to apply the net proceeds from the Open Offer as to not more than HK\$20 million for expansion of the Group's existing packaging business and as to the remaining for general working capital purposes. In particular, the Group plans to automatize its production facilities for its packaging business in order to reduce the labour cost and improve the production efficiency and quality. In anticipation of the growth of the domestic sales market, the Group also plans to set up several representative offices in certain major cities in China for exploring new business opportunities.

The Directors (including the independent non-executive Directors) consider that the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole having taken into account the terms of the Open Offer. Furthermore, it also offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company to participate in the future development of the Company should they wish to do so. However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.



## EFFECTS ON SHAREHOLDING STRUCTURE

For illustration purpose only, the shareholding structure of the Company as at the date hereof and immediately after the completion of the Open Offer is set out below (assuming none of the Convertible Notes will be converted into Shares by the Record Date):

	As at the date of this announcement		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders take up his/her/its entitlements under the Open Offer)		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders take up his/her/its entitlements under the Open Offer)	
	<i>No. of Shares</i>		<i>No. of Shares</i>		<i>No. of Shares</i>	
	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>
Luck Continent Limited	324,626,412	46.58%	486,939,618	46.58%	324,626,412	31.06%
<i>Public Shareholders:</i>						
Underwriter ( <i>Note 1</i> )	6	0.00%	9	0.00%	348,435,522	33.33%
Others	372,244,614	53.42%	558,366,921	53.42%	372,244,614	35.61%
Sub-total	372,244,620	53.42%	558,366,930	53.42%	720,680,136	68.94%
Total	696,871,032	100.00%	1,045,306,548	100.00%	1,045,306,548	100.00%

For illustration purpose only, the shareholding structure of the Company as at the date hereof and immediately after the completion of Open Offer is set out below (assuming all the Convertible Notes will be converted into Shares by the Record Date):

	As at the date of this announcement		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders take up his/her/its entitlements under the Open Offer)		Immediately after completion of the Open Offer (assuming no Qualifying Shareholders take up his/her/its entitlements under the Open Offer)	
	<i>No. of Shares</i>		<i>No. of Shares</i>		<i>No. of Shares</i>	
	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>	<i>Approximate %</i>
Luck Continent Limited	324,626,412	46.58%	486,939,618	44.36%	324,626,412	29.57%
<i>Public Shareholders:</i>						
Underwriter ( <i>Note 1</i> )	6	0.00%	9	0.00%	365,887,528	33.33%
Others (including holder of the Convertible Notes)	372,244,614	53.42%	610,722,940	55.64%	407,148,627	37.10%
Sub-total	372,244,620	53.42%	610,722,949	53.64%	773,036,155	70.43%
Total	696,871,032	100.00%	1,097,662,567	100.00%	1,097,662,567	100.00%

*Note:*

- Pursuant to the Underwriting Agreement, the Underwriter shall not subscribe, for its own account, for such number of untaken Offer Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it to exceed 19.9% of the voting rights of the Company upon the completion of the Open Offer; and

the Underwriter shall use its best endeavours to ensure that each of the subscribers of the untaken Offer Shares procured by it (i) shall be an Independent Third Party and not acting in concert with the Directors or chief executive of the Company or substantial shareholders of the Company or their respective associates; and (ii), save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10.0% or more of the voting rights of the Company as enlarged by the Offer Shares upon completion of the Open Offer, such that the Company will be able to comply with the minimum public float requirement sets out under Rule 8.08(1) of the Listing Rules.

### **Adjustments to the outstanding Convertible Notes**

As at the date of this announcement, the Company has outstanding Convertible Notes in the principal amount of HK\$20,000,000 convertible into 34,904,013 Shares at the conversion price of HK\$0.573 per Share (subject to adjustment pursuant to the terms thereof).

Save as disclosed above, the Company does not have any other outstanding options, warrants or securities in issue which are convertible or exchangeable into the Shares. The Open Offer will cause adjustment to the conversion price of the Convertible Notes and the resulting number of the Shares to be allotted and issue upon exercising of the conversion rights attached to the Convertible Notes, the Company will appoint the auditors of the Company to certify the necessary adjustment to the conversion price of the Convertible Notes. Further announcement will be made by the Company in this regard.

### **WARNING OF THE RISK OF DEALINGS IN THE SHARES**

**Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.**

**Shareholders and potential investors should exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

**Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Thursday, 1 November 2012 and that dealing in Offer Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be at 4:00 p.m. on Tuesday, 27 November 2012), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.**

The Company will send the Prospectus Documents to the Qualifying Shareholders and the Overseas Letter together with the Prospectus, for information only, to the Prohibited Shareholders on or before Friday, 9 November 2012.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

<b>Date of announcement</b>	<b>Descriptions</b>	<b>Amount raised</b>	<b>Intended usage</b>	<b>Actual usage as at the date of this announcement</b>
27 July 2012	Issue of the Convertible Notes	Approximately HK\$19.7 million	HK\$10 million for repayment of the loan to the subscriber and the remaining for general working capital of the Group	HK\$10 million has been applied for repayment of the loan to the subscriber and the remaining has been applied for general working capital of the Group

Save as disclosed above and the open offer proposed by the Company in August 2012 but was terminated in September 2012 (see announcements of the Company dated 15 August 2012 and 20 September 2012 respectively), the Company did not carry out any rights issue, open offer or other issue of equity securities for fund raising purpose or otherwise within the past 12 months immediately prior to the date of this announcement.

### EXPECTED TIMETABLE

The expected timetable for the Open Offer and the associated trading arrangements are as follows:

Last day of dealings in Shares on a cum-entitlement basis	Wednesday, 31 October 2012
First day of dealings in Shares on an ex-entitlement basis	Thursday, 1 November 2012
Latest time for lodging transfer of Shares in order to be qualified for the Open Offer	Friday, 4:00 p.m. on 2 November 2012
Register of members of the Company closed (both dates inclusive)	Monday, 5 November 2012 to Wednesday, 7 November 2012 (both dates inclusive)
Record date	Wednesday, 7 November 2012
Register of members of the Company re-opens	Thursday, 8 November 2012
Despatch of the Prospectus Documents (in case of the Prohibited Shareholders, the Prospectus only)	Friday, 9 November 2012
Latest time for acceptance of, and payment of Offer Shares	Friday, 4:00 p.m. on 23 November 2012

Latest time for the Open Offer to become unconditional (being the second Business Day following the Latest Acceptance Date)	Tuesday, 4:00 p.m. on 27 November 2012
Announcement of results of acceptance of the Offer Shares	Wednesday, 28 November 2012
Despatch of share certificates for Offer Shares	Thursday, 29 November 2012
Despatch of refund cheques, if any, if the Open Offer is terminated	Thursday, 29 November 2012
Dealings in Offer Shares commence	Friday, 9:00 a.m. on 30 November 2012

All times stated in this announcement refer to Hong Kong times. Dates stated in this announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the anticipated timetable for the Open Offer will be announced as appropriate.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	board of the Directors
“Business Day”	a day (other than a Saturday, a Sunday or days on which a typhoon signal 8 or above or black rainstorm signal is hoisted in Hong Kong at 10:00 a.m.) on which banks in Hong Kong are generally open for business
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	C Y Foundation Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning given to that term in the Listing Rules
“Convertible Notes”	the outstanding one-year unsecured 3% convertible notes in the principal amount of HK\$20,000,000 conferring rights to convert into 34,904,013 Shares at the conversion price of HK\$0.573 per Share (subject to adjustments)
“Directors”	directors of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) who is/are independent of and not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates
“Last Trading Day”	19 October 2012, being the last trading day for the Shares immediately prior to the date of this announcement
“Latest Lodging Date”	4:00 p.m. on Friday, 2 November 2012 as the latest time for lodging transfer of Shares in order to qualify for the Open Offer
“Latest Time for Acceptance”	4:00 p.m. on Friday, 23 November 2012 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time for acceptance of, and payment for, the Offer Shares
“Latest Time for Termination”	4:00 p.m. on the second Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Share(s)”	not less than 348,435,516 new Shares and not more than 365,887,522 new Shares proposed to be offered to the Qualified Shareholders for subscription on the basis of one (1) Offer Share for every two (2) Shares held on the Record Date and payable in full on acceptance pursuant to the Open Offer
“Open Offer”	the proposed issue of the Offer Shares by way of Open Offer to the Qualified Shareholders on the terms to be set out in the Prospectus Documents and summarised therein
“Overseas Letter”	a letter from the Company to the Prohibited Shareholders explaining the circumstances in which the Prohibited Shareholders are not permitted to participate in the Open Offer

“Overseas Shareholders”	the Shareholders with registered addresses on the register of members of the Company which are outside Hong Kong on the Record Date
“Prohibited Shareholder(s)”	those Overseas Shareholder(s) to whom the Board, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Offer Shares to them
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the application form in respect of the assured allotment of Offer Shares
“Prospectus Posting Date”	Friday, 9 November 2012 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents
“Qualifying Shareholders”	the Shareholders, other than the Prohibited Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Wednesday, 7 November 2012, being the date by reference to which entitlements to the Open Offer will be determined
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.10 per Offer Share

“Takeovers Code”	The Code on Takeovers and Mergers
“Underwriter”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 19 October 2012 entered into between the Company and the Underwriter in relation to the Open Offer
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	percentage or per centum

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

Hong Kong, 19 October 2012

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