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## **C Y FOUNDATION GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1182)**

### **APPOINTMENT OF EXECUTIVE DIRECTOR, RE-DESIGNATION OF DIRECTOR, CHANGE OF COMPOSITION OF THE AUDIT COMMITTEE, REMUNERATION COMMITTEE, NOMINATION COMMITTEE AND INDEPENDENT BOARD COMMITTEE**

The Board of the Company announces that (1) Mr. Lin has been appointed as an executive director of the Company; (2) Mr. Balakrishnan has been re-designated from independent non-executive director to executive director; and (3) change of composition of the Audit Committee, Remuneration Committee, Nomination Committee and Independent Board Committee of the Company.

#### **APPOINTMENT OF EXECUTIVE DIRECTOR**

The board of directors (the “Board”) of C Y Foundation Group Limited (the “Company”) announces that Mr. LIN Zheyang (“Mr. Lin”) has been appointed as an executive director of the Company with effect from 1 February 2013.

Mr. Lin, aged 48, obtained a bachelor’s degree in Economics from Shanxi Finance and Economics University in 1987, an Executive Master of Business Administration degree from Guanghua School of Management, Peking University in 2003, and a doctorate degree in business administration from France Rennes School of Business in 2008. Mr. Lin has been an executive director of the Hankore Environment Tech Group Limited, a company listed on the Singapore Exchange Securities Trading Limited since May 2011. He is currently the Chairman of Jade Capital Management Limited. Previously, Mr. Lin worked for Chinese Ministry of Commerce, and he was a member of the Small and Medium Size Enterprises Training Committee of the Shenzhen Stock Exchange. He was a specialist member of the specialist committee of the China Development Bank. He is also a member of the Advisory Committee of the China - Italy Mandarin Fund.

Mr. Lin is the legal representative of a PRC subsidiary of the Company. Save as disclosed, Mr. Lin has not previously held any position with the Group.

#### **RE-DESIGNATION OF DIRECTOR**

The Board also announces that Mr. BALAKRISHNAN Narayanan (“Mr. Balakrishnan”) has been re-designated from independent non-executive director to executive director with effect from 1 February 2013.

Mr. Balakrishnan, 57, joined the Company in April 2011. He was an independent non-executive director of the Company from April 2011 to January 2013. Mr. Balakrishnan obtained his BA (Bachelor of Arts) in Economics from Amherst College, Massachusetts, USA in 1978 and obtained his M.Sc. (Master of Science) in Journalism from Columbia University in the City of New York in 1980. As part of his third year in Amherst College, he spent a year at the London School of Economics in 1977 researching the economies of Malaysia, Mauritius and Guyana.

Mr. Balakrishnan started his working life in New York in 1981 as a reporter at the Commodity News Services (CNS) covering monetary policy of the US Federal Reserve Bank. Mr. Balakrishnan came to Singapore in 1982 and worked at the Bankers Trust Singapore branch as a Research Manager and also at the Singapore Press Holdings.

He came to Hong Kong in 1989 to work for the Dow Jones publication, "Far Eastern Economic Review" as a Specialist Writer on South East Asian economies. He worked there till 1994. During 1995 to 1996, he worked as a manager at the Value Partners Limited and as Research Manager at the Worldsec International, an investment bank based in Hong Kong, during 2001 to 2003.

Mr. Balakrishnan has been a director of "The Cool Investor (HK) Limited", a company specializing in providing outsourced editorial services to scientific, medical and technical journals and books since 1996. He is also the Director of the Indian company "Excel Edit Services" providing similar services based in Chennai city in India.

His articles have been published in The New York Times, The Washington Post, The Asian Wall Street Journal and the International Herald Tribune. He also works as a Honorary Consultant with the Hong Kong based "China India Fortune Foundation," which is dedicated to promoting business and cultural relations between China and India.

As at the date of this announcement, save as disclosed, Mr. Lin and Mr. Balakrishnan do not have, and are not deemed to have, any interests and short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance). Save as disclosed and to the best knowledge and belief of the Board, having made all reasonable enquiries, Mr. Lin and Mr. Balakrishnan have not held any directorship in other public listed company in the past three years, and they do not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Lin is entitled to receive a salary of RMB20,000 plus HK\$60,000 per month while Mr. Balakrishnan is entitled to receive a salary of HK\$90,000 per month, together with any other benefits as determined by the Remuneration Committee of the Company. Their remunerations are determined by the board with reference to their duties and responsibilities with the Company and the prevailing market conditions. Both Mr. Lin and Mr. Balakrishnan have not entered into any service contract with the Company or any of its subsidiaries and there is no proposed length of his directorship, but they are subject to retirement by rotation and re-election at the annual general meeting in accordance with the bye-laws of the Company and the Code on Corporate Governance Practices set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Save as disclosed above, there is no other information relating to appointment of Mr. Lin and the re-designation of Mr. Balakrishnan of the Company that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor any matters that need to be brought to the attention of the shareholders of the Company.

### **CHANGE OF COMPOSITION OF THE AUDIT COMMITTEE, REMUNERATION COMMITTEE, NOMINATION COMMITTEE AND INDEPENDENT BOARD COMMITTEE**

Following the re-designation of Mr. Balakrishnan, Mr. Balakrishnan ceases to be a member of the Audit Committee, Remuneration Committee, Nomination Committee and Independent Board Committee. Accordingly, Mr. YONG Peng Tak (“Mr. Yong”) has been appointed as a member of the Audit Committee of the Company; Mr. LAI Hock Meng (“Mr. Lai”) has been appointed as a member of the Remuneration Committee and Nomination Committee of the Company; and Mr. IO Rudy Cheok Kei (“Mr. Io”) has been appointed as a member of the Independent Board Committee of the Company.

With effect from 1 February 2013, the composition of the Audit Committee, Remuneration Committee, Nomination Committee and Independent Board Committee of the Company have been changed as follows:

(a) Audit Committee

The members are Mr. Lai (Chairman), Mr. Io and Mr. Yong.

(b) Remuneration Committee and Nomination Committee

The members are Mr. Io (Chairman), Mr. Yong and Mr. Lai.

(c) Independent Board Committee

The members are Mr. Io (Chairman), Mr. Lai and Mr. Yong.

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

Hong Kong, 1 February 2013

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