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C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

AND

THE “PUT-UP OR SHUT-UP” RULING

Reference is made to the announcement of C Y Foundation Group Limited (the “**Company**”) dated 16 September 2010, 19 October 2010, 18 November 2010, 17 December 2010, 14 January 2011, 11 February 2011, 10 March 2011, 8 April 2011, 6 May 2011 and 2 June 2011, in relation to, among other things, the Possible Acquisition and the announcement dated 12 August 2010 relating to unusual price movement in the shares of the Company (the “**Shares**”) respectively (collectively, the “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, it came to the Board’s attention that Ms. Yung, a substantial shareholder of the Company holding 1,757,142,856 Shares (representing approximately 25.21% of the total issued Shares as at the date of this announcement), had an intention to acquire further Shares, which, if materialized, may or may not lead to a mandatory general offer being made by Ms. Yung.

Since 12 August 2010, no progress was made in respect of the Potential Acquisition. The Company made a “put-up or shut-up” ruling application on 18 May 2011 to the Executive Director of the Corporate Finance Division of the Securities and Futures Commission pursuant to Rule 31.1(b) of the Takeovers Code and requested a deadline to be set for Ms. Yung to announce a firm intention to make an offer for the Shares (the “**Deadline**”).

On 24 June 2011, the Executive Director of the Corporate Finance Division of the Securities and Futures Commission issued a letter of ruling on the above submission (the “**Put-up or Shut-up Ruling**”). The Put-up or Shut-up Ruling is extracted as follows:

“The Executive has today pursuant to section 7 of the Introduction to the Takeovers Code ruled that Ms. Yung must by 5.00 p.m. on Monday, 4 July 2011 (the “Deadline”) either:

- (i) announce a firm intention to make an offer for the Company under*

Rule 3.5 of the Takeovers Code, or

- (ii) announce her decision that she does not intend to make an offer for the Company; or*
- (iii) inform the Company of her decision that she does not intend to make an offer for the Company.*

No extension to the above deadline will be granted, except with the consent of the Executive.

If Ms. Yung:

- (a) makes an announcement under (ii) above; or*
- (b) informs the Company of her decision that she does not intend to make an offer for the Company under (iii) above,*

on or before the Deadline, Ms. Yung and any person(s) acting in concert with her will, except with the consent of the Executive, be bound by the restrictions contained in Rule 31.1(c) of the Takeovers Code for six months from the date of such announcement or notification.

If Ms. Yung:

- (a) does not make an announcement under (i) or (ii) above; or*
- (b) does not inform the Company of her decision under (iii) above,*

Ms. Yung and any person(s) acting in concert with her will, except with the consent of the Executive, be bound by the restrictions contained in Rule 31.1(b) of the Takeovers Code for six months from the Deadline.”

Shareholders and potential investors should take note that there is no certainty that the Possible Acquisition will proceed on or before 4 July 2011 or that the same will result in a binding agreement or a change of control of the Company. Shareholders and potential investors are urged to exercise caution when dealing in the Shares and any other securities of the Company.

Trading in the Shares on the Stock Exchange has been suspended from 9:30 am on 31 August 2010 and will remain suspended until further notice.

This announcement is issued pursuant to Rule 3.7 of the Takeovers Code. Shareholders will be informed of any further development with regards to the Possible Acquisition as and when necessary and on a monthly basis pursuant to Rule 3.7 of the Takeovers Code until an announcement of a firm intention to make an offer or of a decision not to proceed with an offer is made in compliance with the Takeovers Code.

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

Hong Kong, 24 June 2011

As at the date of this announcement, the executive Directors are Mr. SNEAH Kar Loon, Dato LIM Kim Wah (also known as “Dato LIM Sze Guan”), Mr. CHENG Chee Tock Theodore (duty suspended) and Mr. WOELM Samuel, the non-executive Directors are Mr. IO Rudy Cheok Kei and Mr. NG Kwok Lun, the independent non-executive Directors are Mr. LAI Hock Meng, Mr. LAW Chiu William, Dato MYHRE Carl Gunnar, Mr. BALAKRISHNAN Narayanan and Mr. YONG Peng Tak.

The Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.