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C Y FOUNDATION GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock code: 1182)

ANNOUNCEMENT IN RESPECT OF A WRIT OF SUMMONS

Reference is made to the announcements of C Y Foundation Group Limited (“Company”) (i) dated 29 October 2008 in relation to the agreement (“Agreement”) for the acquisition of gaming machines and its software (“Gaming Machines”) by Billion Cosmos Investment Limited (“Billion Cosmos”), a wholly owned subsidiary of the Company, from Weike(S) Pte Limited (“Weike”), a company owned as to 50% equity interest by Poh Po Lian (“Mr Poh”); (ii) dated 28 June 2010 in relation to the confiscation of the Gaming Machines by the PRC Police; and (iii) dated 4 August 2010 in relation to the submission of claim by a subsidiary of the Company in the Shanghai No. 2 Intermediate People’s Court in the PRC against Weike in relation to the Gaming Machines (together “Announcements”). Capitalized terms used herein shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

The Company wishes to announce that a writ of summons was issued in the Court of First Instance at the High Court of Hong Kong by the Company as 1st plaintiff and Billion Cosmos as 2nd plaintiff on 7 March 2011 claiming against Weike as 1st defendant and Mr Poh as 2nd defendant for, inter alia, breach of the Agreement and breach of director’s duties owed by Mr Poh towards the Company (“Claim”). The plaintiffs’ claim against the defendants for the following relief :-

- (1) The refund of HK\$9,893,000 being the full purchase price of the Gaming Machines;
- (2) Indemnity pursuant from Clause 7.1 of the Agreement;
- (3) Interest;
- (4) Costs; and
- (5) Further or other relief.

Mr Poh was the then executive director of the Company who resigned on 22 July 2009 and, as at the date of this announcement, is interested in 46.58% of the issued share capital of the Company. The Company obtained legal advice and considers that the plaintiffs would have a good prospect of success to recover losses from the defendants and to obtain the aforesaid relief. The Board considers that making the Claim is in the best interest of Company and its shareholders, other than Mr Poh.

The Company will keep the Shareholders and potential investors informed of any further material development in connection with the above action by way of further announcement(s) as and when appropriate.

On behalf of the Board
Woelm Samuel
Executive Director

Hong Kong, 10 March 2011

As at the date hereof, the executive directors of the Company are Mr CHENG Chee Tock Theodore (Chairman), Mr WOELM Samuel, Mr WU Chuang John, Mr CAO Dongxin, Mr HO Chi Chung Joseph, Mr YU Ping, Mr ZHANG Yiwei, Mr TANG Ming and Mr HU Xichang; and the independent non-executive directors are Mr WANG Shanchuan, Mr NG Pui Lung and Mr FUNG Pui Cheung Eugene.