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

**FURTHER ADJOURNED SPECIAL GENERAL MEETING  
TO BE HELD ON 31 DECEMBER 2009**

The Company has been rendered unable to take the Further Enquiry any further as to whether any of Luck Continent Limited, the controlling shareholder of the Company, Dato Poh and its associates has any material interest in the Subscription. Based on the information available to the Company, the Company takes the view that Luck Continent Limited has material interest in the Subscription and the transactions contemplated thereunder and therefore will require Luck Continent Limited and its associates to abstain from voting at the Further Adjourned SGM which has been scheduled to be held on 31 December 2009.

Reference is made to the announcement jointly issued by C Y Foundation Group Limited (“Company”) and Paradise Entertainment Limited (“Paradise Entertainment”) on 26 August 2009 (“Announcement”), the circular of the Company dated 20 October 2009 (“Circular”) in relation to the proposed subscription by the Company of new convertible notes and option to subscribe for additional notes to be issued by Paradise Entertainment (“Subscription”), the announcement of the Company of 13 November 2009 in relation to adjournment of SGM (“SGM Adjournment Announcement”), the announcement of the Company dated 3 December 2009 in relation to the proposed further adjournment of the SGM (“Proposed SGM Further Adjournment Announcement”) and the announcement of the Company dated 4 December 2009 publishing the poll results in relation to the proposed further adjournment of the SGM (“SGM Further Adjournment Announcement”). Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcement, the Circular, the SGM Adjournment Announcement, the Proposed SGM Further

Adjournment Announcement and the SGM Further Adjournment Announcement.

In the course of the Further Enquiry, the Company has through its lawyer written to Luck Continent Limited on 7 December 2009 requesting for, inter alia, (i) the production of a copy of the contract and any supplemental contracts made between Weike (G) and LT Games Limited (“Contract(s)”); and (ii) a confirmation as to whether there was any delay in the payment under the Contract(s) on the part of LT Games Limited after execution of the Contract(s) (“Requests”). Apart from a letter dated 9 December 2009 asking for the legal basis of the Requests to which the lawyer of the Company has duly addressed by a reply dated 9 December 2009, neither the Company nor its lawyer has received any reply to the Requests from Luck Continent Limited or its lawyer.

As part of the Further Enquiry, the Company has also written to Paradise Entertainment on 7 December 2009 asking for a copy of the Contract(s). Paradise Entertainment replied on 9 December 2009 declining to produce the Contract(s) on the grounds that there is a confidentiality clause in the Contract(s) which prohibits them from releasing any information of the Contract(s) to any third party.

The Board noted that Paradise Entertainment had published an announcement on 4 December 2009 (“Clarification Announcement”) in response to the Proposed SGM Further Adjournment Announcement. In the Clarification Announcement, Paradise Entertainment clarified that the proceeds of the Subscription, if it proceeds as planned, would be used as the general working capital of Paradise Entertainment as disclosed in the Joint Announcement. While Paradise Entertainment clarified that their senior management had not mentioned that Paradise Entertainment would use the Subscription proceeds in any manner other than that as already disclosed in the Joint Announcement, Paradise Entertainment had confirmed in the Clarification Announcement that it wrote to Weike (G) on 2 November 2009 *“with a view to enlisting Dato Poh’s support for the Subscription and advocating the importance of the Subscription to the parties concerned in that it would not only provide the funding to boost the Group’s electronic gaming business and in particular, enabling the Group [Paradise Entertainment] to enhance the marketing and upgrading of the environment of the Kam Pek Paradise Casino in Macau but also strengthen the business partnership between the Group [Paradise Entertainment] and Weike”* (“Clarification Statement”).

The Board takes the view that the Clarification Statement confirms rather than rebuts the argument that the Weike(G) will derive benefit from the Subscription. Whether the Subscription proceeds would be used for the purpose of developing the project between Weike(G) and Paradise Entertainment (as per the Company’s previous understanding which has been denied by Paradise Entertainment in the Clarification Announcement) or as general working capital of Paradise Entertainment (as confirmed by Paradise Entertainment in the Clarification Announcement), the Board

takes the view that Weike(G) will nevertheless benefit from the Subscription as it would, as confirmed by Paradise Entertainment in the Clarification Announcement, strengthen the business partnership between Paradise Entertainment and Weike(G).

In the absence of positive feedback from Luck Continent Limited and Paradise Entertainment, the Board is not in the position to take the Further Enquiry any further. Based on the information available to the Company up to the date of this announcement, including the existence of the Contract(s), the Clarification Statement which affirms that Weike(G) will benefit from the Subscription and the fact that Weike(G) is an associate of Luck Continent Limited, both being companies controlled by Dato Poh, the Company, having had regard to, inter alia, Rule 2.16(2) and Note 2 to Rule 14.33 of the Listing Rules, takes the view that the Subscription confers upon Luck Continent Limited and/or its associate(s) a benefit not available to the other shareholders of the Company and Luck Continent Limited therefore has a material interest in the Subscription.

In the premises, the Company will require Luck Continent Limited to abstain from voting on the resolution approving the Subscription at the Further Adjourned SGM to be held on 31 December 2009. A notice of the Further Adjourned SGM shall be issued by the Company as soon as practicable.

By order of the Board  
**Cheng Chee Tock Theodore**  
*Chairman*

Hong Kong, 15 December 2009

*As at the date hereof, the Board comprises 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 as executive directors; Dr. CHOW Steven, Mr. WANG Shan Chuan and Mr. NG Pui Lung as independent non-executive directors.*

*All directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, 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.*