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

ANNOUNCEMENT IN RESPECT OF A SUMMONS

Reference is made to the announcement of C Y Foundation Group Limited (“Company”) dated 13 September 2010 in respect of, inter alia, the postponement of the annual general meeting of the Company for the financial year ended 31 March 2010 (“2010 AGM”) and the announcement of the Company dated 27 October 2010 (collectively, “Announcements”) in relation to a writ of summons issued by Luck Continent Limited as plaintiff (“Plaintiff”) against the Company alleging that the Company has breached the relevant bye-laws as a result of not convening the 2010 AGM within the time limit prescribed under the bye-laws of the Company. Unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Announcements.

The Board announces that on 10 November 2010 the Company was served with a summons issued against the Company (“Summons”) by the Plaintiff.

Under the Summons, the Plaintiff is seeking for the final judgement of the Court against the Company for, among other things, (i) a declaration that the Company has acted in breach of the relevant bye-law of the Company; and (ii) an order that the Company do forthwith give notice of the 2010 AGM to be held on a date not more than 25 days from the notice of 2010 AGM for the purpose of transacting the businesses including to receive and consider the audited financial accounts of the Company for the year ended 31 March 2010; to nominate, appoint and vote on the directors to fill vacancies arising from the retirement by rotation; and to appoint the auditor for the Company and to fix its remuneration.

The Summons has been fixed to be heard on 30 November 2010. The Company is now seeking legal advice regarding the Summons and intends to oppose the Plaintiff’s application for convening the 2010 AGM under the order of the Court. The Directors are of the view that as the accounts of the Company for the year ended 31 March 2010 may subject to further review in light of the ICAC Investigation, it is imprudent/in breach of fiduciary duty of the Directors to present the accounts for approval at the AGM before such review is carried out. The Company will keep the Shareholders and potential investors informed of any material development in connection with the Summons by way of further announcement(s) as and when appropriate.

On behalf of the Board
Woelm Samuel
Executive Director

Hong Kong, 11 November 2010

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.