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

Financial adviser to the Company



禹銘投資管理有限公司
YU MING INVESTMENT MANAGEMENT LIMITED

**ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE
AND RULE 13.09 OF THE LISTING RULES
IN RESPECT OF
CLOSE OF THE OFFER PERIOD**

This announcement is made pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (“Takeovers Code”) and Rule 13.09 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

Reference is made to the announcement of the Company dated 13 July 2010 (“Announcement”) in respect of possible securities exchange offer by China Trends Holdings Limited. Terms used herein shall have the same meanings as those defined in the Announcement unless otherwise defined.

The board of directors of the Company has noticed an update announcement made by China Trends dated 7 September 2010 that it has decided not to proceed with the possible securities exchange offer due to certain recent media report that there might be certain possible regulatory issues relating to the Company and/or certain directors/shareholders of the Company and the trading in shares of the Company was suspended since 31 August 2010 pending the release of an announcement which is considered to be price sensitive in nature.

As such, the offer period in relation to the possible securities exchange offer by China Trends, which is commenced from the date of the first announcement made by China Trends on 12 July 2010, was closed on 7 September 2010.

Pursuant to Rule 31.1(c) of the Takeovers Code, neither China Trends nor any person acting in concert with China Trends may, except with the consent of the Executive (as defined in the Takeovers Code), within 6 months from the date of 7 September 2010 announce an offer or possible offer for the Company or acquire any voting rights of the Company if the China Trends or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeover Code to make an offer unless there is a material change of the circumstances.

On behalf of the Board
Woelm Samuel
Executive Director

Hong Kong, 8 September 2010

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.

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.