

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

ANNOUNCEMENT

This is a voluntary announcement made by the Company.

References are made to the announcements of the Company dated 29 October 2008 and 28 June 2010 (“Announcements”) in relation to the acquisition of various gaming machines and software (“Gaming Products”) by the Purchaser from the Vendor and the confiscation of the Gaming Products by the PRC Police. Capitalized terms used herein shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

In respect of the Confiscation, a wholly owned subsidiary of the Company (“Subsidiary”) has submitted to the Shanghai No.2 Intermediate People’s Court (“Court”) a claim (“Claim”) against the Vendor, in which the Subsidiary sought orders for (i) refund of Rmb 8,704,851 (being the full consideration in Renminbi for the purchase of the Gaming Products), (ii) damages of amount provisionally assessed at Rmb 5,000,000, (iii) Vendor’s delivery to the Subsidiary materials in relation to the Gaming Products in respect of customs, commodity inspection and tax, and (iv) all costs of the Claim to be borne by the Vendor. On 26 July 2010, the Court issued to the Subsidiary a notice of acceptance of lawsuit confirming its acceptance of the filing of the Claim.

Further announcement(s) in relation to the Claim will be made as and when appropriate.

On behalf of the Board
Woelm Samuel
Executive Director

Hong Kong, 4 August 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.