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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
CLOSE OF THE OFFER PERIOD**

Reference is made to the announcement of the Company dated 21 April 2010 (the “Announcement”) and its update dated 26 May 2010 (the “First Update”) in relation to, among other things, talks between the Potential Purchaser and Luck Continent for the Possible Acquisition (the “Talks”) involving the acquisition by the Potential Purchaser of all or part of the Shares from Luck Continent, a substantial shareholder of the Company holding 3,246,264,127 Shares (represented approximately 46.58% of the total issued Shares as at the date of this announcement), which, if materialized, may or will lead to a mandatory general offer being made by the Potential Purchaser. Reference is also made to the announcement of the Company dated 28 June 2010 relating to the Put Up or Shut Up Ruling (the “Ruling Announcement” together with the First Update, referred hereinafter as the “Updates”) issued by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission (the “SFC”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement and the Updates.

Pursuant to the Put Up or Shut Up Ruling issued by the SFC, the Potential Purchaser must by 5.00 p.m. on Wednesday 7 July 2010 either:

- (i) announce a firm intention to make an offer for the Company under Rule 3.5 of the Takeovers Code, or
- (ii) announce or inform the Company that it does not intend to make an offer for the Company.

By 5:00 p.m. on Wednesday 7 July 2010, the Company has not received any notification from the Potential Purchaser about its intention to make any offer for the Company.

Pursuant to the Put Up or the Shut Up Ruling:

“If the Potential Purchaser does not make an announcement under (i) above or make an announcement or inform the Company under (ii) above, the Potential Purchaser and any person(s) acting in concert with it will, except with the consent of the Executive, be bound by the restrictions contained in Rule 31.1(c) of the Takeovers Code for six months from the date of such announcement.”

Accordingly, pursuant to Rule 31.1(c) of the Takeovers Code, neither the Potential Purchaser or any person who acted in concert with it or subsequently acting in concert with any of them may, except with the consent of the Executive of the SFC, within 6 months from 7 July 2010 announce an offer or possible offer for the Company or acquire any voting rights of the Company if the Potential Purchaser or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer unless there is a material change of the circumstances.

The offer period, which commenced from the date of the Announcement on 21 April 2010, is closed on 7 July 2010.

This announcement is issued pursuant to Rule 3.7 of the Takeovers Code.

By order of the Board
Woelm Samuel
Executive Director

Hong Kong, 7 July 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.