

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)

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
THE “PUT UP OR SHUT UP” RULING**

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. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company was notified about the Talks on 14 April 2010, and two months has elapsed, no material information has been given to the Company. The financial adviser of the Company made a “put up or shut up” ruling application on 15 June 2010 to the Executive Director of the Corporate Finance Division of the Securities and Futures Commission pursuant to Rule 31.1(b) of the Takeovers Code and requested a deadline to be set for the Potential Purchaser to announce a firm intention to make an offer for the Shares (the “Deadline”).

On 28 June 2010, the Executive Director of the Corporate Finance Division of the Securities and Futures Commission issued a letter of ruling on the above submission (the “Put Up or Shut Up Ruling”). The Put Up or Shut Up Ruling is extracted as follows:

“Based on the information given and representations made in your letter and the representations made by the Potential Purchaser, the Executive has today pursuant to section 7 of the Introduction to the Takeovers Code ruled that 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.*

No extension to the above deadline will be granted, except with the consent of the Executive. 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.

The Potential Purchaser has agreed to be bound by such ruling.”

Shareholders and potential investors should take note that there is no certainty that the Talks relating to the Possible Acquisition will proceed on or before 7 July 2010 or that the same will result in a binding agreement or a change of control of the Company. Shareholders and potential investors are urged to exercise caution when dealing in the Shares and any other securities of the Company.

This announcement is issued pursuant to Rule 3.7 of the Takeovers Code. Shareholders will be informed of any further development with regards to the Possible Acquisition as and when necessary and on a monthly basis pursuant to Rule 3.7 of the Takeovers Code until an announcement of a firm intention to make an offer or of a decision not to proceed with an offer is made in compliance with the Takeovers Code.

By order of the Board
Woelm Samuel
Executive Director

Hong Kong, 28 June 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.