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

ANNOUNCEMENT

**(1) SUMMONS
AND
(2) APPOINTMENT OF DELOITTE TOUCHE TOHMATSU OR OTHER
INDEPENDENT ACCOUNTING FIRM**

This announcement is made by the Company on the disclosure of matters relating to the Summons and appointment of Deloitte or other independent accounting firm to look into the complaints in the Petition.

THE SUMMONS

The Board announces that on 30 April 2010 the Company was served with the Summons issued by the Petitioner.

Under the Summons, the Petitioner is seeking from the Court, for an order to appoint and instruct Independent Investigating Accountants to protect and preserve the Assets of the Company and its group by scrutinizing and investigating the same and reporting to the Court (to be copied to the solicitors on the record in the Petition) their findings and advice thereon, with all reasonable and practicable expedition.

The Summons has been fixed to be heard on Wednesday, 5 May 2010 at 9:30 a.m. The Company has sought legal advice regarding the Summons and will oppose the Petitioner's application for the appointment of Independent Investigation Accountants by the Court. The Company will keep the Shareholders and potential investors informed of any material development in connection with the Summons by way of further announcements as and when appropriate.

APPOINTMENT OF DELOITTE OR OTHER INDEPENDENT ACCOUNTING FIRM

The Board announces that the Petition had been reported to the Audit Committee. With the recommendation of the Audit Committee, the Board would engage Deloitte or other independent accounting firm to look into the complaints of the Petitioner in the Petition and to prepare a report for submission to the Audit Committee within one month from the appointment or such other reasonable period as Deloitte or such other independent accounting firm may require for conducting a proper review of such complaints, which period should be no longer than two months from the time of its appointment.

Reference is made to the announcement dated 21 April 2010 made by the Company in respect of the Petition. Unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Announcement.

THE SUMMONS

The Board announces that on 30 April 2010 the Company was served with the summons issued against, inter alia, the Company dated 30 April 2010 (the "Summons") issued by the Petitioner.

Under the Summons, the Petitioner is seeking for the Court to order, among other things:

1. The Company do forthwith appoint and instruct (a) one or two of the partners of Messrs. Deloitte Touche Tohmatsu ("Deloitte") or (b) alternatively Mr. Kong Chi How Johnson and Mr. Choi Man On Andy, both of BDO Financial Services Limited (or one or two partners of an independent and reputable firm of Certified Public Accountants in Hong Kong) (the "Independent Investigation Accountants") to protect and preserve the undertakings and assets of the Company, its subsidiaries, associated companies, joint ventures or other entities in which the Company holds or has held an interest whether within or outside the jurisdiction of the Court (the "Assets") by scrutinizing and investigating the same and reporting to the Court (to be copied to the solicitors on the record in the Petition) their findings and advice thereon, with all reasonable and practicable expedition;
2. The Company and the 1st Respondent and each of them be restrained from doing any of the following acts or things (in the case of the Company whether by itself its officers servants agents and in the case of the 1st Respondent whether by himself servants or agents or otherwise) any of the following acts or things save with the prior written consent of the Petitioners' solicitors or the leave of the Court, that is to say:
 - 2.1 hindering or obstructing or seeking or attempting in any way to hinder or obstruct the Independent Investigation Accountants in the performance of their functions and in the exercise of their powers as granted by the Court;
 - 2.2 giving any instruction to the Independent Investigation Accountants save as those granted by the Court;
3. The Company and the 1st Respondent and each of them shall take every step within their respective powers to ensure that the Independent Investigation Accountants are able to perform their functions and to exercise their powers as granted by the Court, and shall, without prejudice to the generality of the foregoing, (i) grant unrestricted access to them to all books and records of the Company, (ii) provide all information and assistance to them and their staff as they may require and to attend upon them at such times as they may require from time to time for the said purposes, and (iii) give them notice of all board meetings of the Company together with copies of all agendas and other papers which relate to the same;

The Summons has been fixed to be heard on 5 May 2010. The Company has sought legal advice regarding the Summons and will oppose the Petitioner's application for the appointment of Independent Investigation Accountants by the Court. The Company will keep the Shareholders and potential investors informed of any material development in connection with the Summons by way of further announcements as and when appropriate.

APPOINTMENT OF DELOITTE OR OTHER INDEPENDENT ACCOUNTING FIRM

The Board announces that the Petition had been reported to the audit committee of the Company comprising the independent non-executive Directors (the “Audit Committee”). With the recommendation of the Audit Committee, the Board would engage Deloitte or other independent accounting firm to look into the complaints of the Petitioner and to prepare a report for submission to the Audit Committee within one month from the appointment or such other reasonable period as Deloitte such other independent accounting firm may require for conducting a proper review of such complaints, which period should be no longer than two months from the time of its appointment.

The Company will keep the Shareholders and potential investors informed of any material findings by Deloitte or such other independent accounting firm by way of further announcements as and when appropriate.

By order of the Board
WOELM Samuel
Executive Director

Hong Kong, 4 May 2010

As at the date hereof, the Board comprises 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 as executive directors; Mr. WANG Shan Chuan, Mr. NG Pui Lung and Mr. FUNG Pui Cheung Eugene as independent non-executive directors.

All directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, 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.