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C Y FOUNDATION GROUP LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1182)

FURTHER ADJOURNMENT OF SPECIAL GENERAL MEETING ORIGINALLY ADJOURNED TO 4 DECEMBER 2009 AND RESUMPTION OF TRADING OF SHARES

The Company proposes to further adjourn the SGM which has been adjourned from 13 November 2009 to 4 December 2009.

Trading in the shares of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 2 December 2009, pending release of this announcement. Application has been made for the resumption of trading with effect from 9:30 a.m. on 4 December 2009.

Reference is made to the announcement jointly issued by C Y Foundation Group Limited (the “Company”) and Paradise Entertainment Limited (“Paradise Entertainment”) on 26 August 2009 (the “Announcement”) and the circular of the Company dated 20 October 2009 (the “Circular”) in relation to the proposed subscription by the Company of new convertible notes and option to subscribe for additional notes to be issued by Paradise Entertainment (the “Subscription”) and the announcement of the Company of 13 November 2009 in relation to adjournment of SGM (the “SGM Adjournment Announcement”). Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcement and the Circular.

As stated in the SGM Adjournment Announcement, at the SGM held on 13 November 2009, an ordinary resolution for the adjournment of the SGM to 11:00 a.m. on Friday, 4 December 2009 (the “Adjourned SGM”) at 22/F., 200 Gloucester Road, Wanchai, Hong Kong was duly passed by way of poll.

The Company would like to inform shareholders of the Company (“Shareholders”) that it was informed by Dato Poh Po Lian (“Dato Poh”) by email dated 28 August 2009 that on 27 February 2009, Weike (G) Management Pte. Ltd.(“Weike”), a company under the control of Dato Poh entered into an agreement with LT Games Limited, a subsidiary of Paradise Entertainment (the “LT Games Agreement”).

As at the date of this announcement, Luck Continent Limited, a company which is wholly-owned by Dato Poh, is a controlling shareholder of the Company holding approximately 41.64% of the existing issued share capital. Dato Poh was also a director of the Company until 21 July 2009. Taking into account Dato Poh’s interest in the Company, his being an ex-director of the Company and his interest in the LT Games Agreement, the Company considers that Rule 2.16(2) of the Listing Rules may be applicable and if Luck Continent Limited has material interest in the Subscription, it should abstain from voting on the resolution approving the Subscription at the SGM.

On or about 3 November 2009, it was brought to the attention of the Company that Paradise Entertainment has made statements to senior management of Weike indicating its intention to use the subscription money to be obtained by Paradise Entertainment from the Subscription by the Company for the development of KamPek Paradise Casino (“KamPek Paradise Casino”) including the project between Weike and Paradise Entertainment, casino marketing, upgrading of the environment of casino, etc. (“Statements”).

On 12th November 2009, the Company requested Dato Poh to confirm whether he has any interest or possible interest in the Subscription and/or the proceeds to be derived therefrom. At the request of the solicitors of Dato Poh, further particulars were provided to them on 20 November 2009. On 27 November 2009, the solicitors of Dato Poh sent a reply (“Reply”) to solicitors of the Company in which it was stated that Luck Continent Limited took the view that it did not have any material interest in the Subscription and/or its proceeds. The Reply contained, among other things, the following statements:-

- “1. *The Statements are neither here nor there and are at best just the personal views of the [senior executive of Paradise Entertainment] and are inconsistent with and contradicted by the statements on the “Use of proceeds” referred to in Paragraph 4 above and of no probative value at all.*”

The aforesaid paragraph 4 (an extract of the Announcement) is reproduced below:-

- “*The Paradise Entertainment Board intends to apply all the net proceeds from the issue of the New Convertible Notes and the Additional Notes (assuming the Option is exercised) as general working capital of the Paradise Entertainment Group.*”
- “2. *Even if, which is not admitted, contrary to the Joint Announcement dated 26/8/2009, the proceeds of the Transaction or part thereof are to be applied*

specifically for LT Game or the KamPek Paradise Casino, it is doubtful whether any actual material benefit will thereby be conferred on Weike(G).”

- “3. *For the reasons stated in our various letters to the Board of Directors of C Y Foundation, an independent financial adviser should be appointed to look into and advise on the Transaction before it is put to the shareholders for determination at the SGM.*”

Despite the denial of any material interest on the part of Luck Continent Limited in the Subscription in the Reply, the Company considers that it will be necessary to further look into this matter and issue to Shareholders a further announcement or a supplemental circular if there is any new information in relation to the Subscription following the further enquiry. Under the circumstances, the Company will propose at the Adjourned SGM that the SGM to approve the Subscription be further adjourned to a date to be fixed at the Adjourned SGM.

Trading in the shares of the Company (“Shares”) on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 2 December 2009, pending release of this announcement. Application has been made for the resumption of trading in the Shares with effect from 9:30 a.m. on 4 December 2009.

By order of the Board
Cheng Chee Tock Theodore
Chairman

Hong Kong, 3 December, 2009

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; Dr. CHOW Steven, Mr. WANG Shan Chuan and Mr. NG Pui Lung 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.