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

**VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION
AND
DELAY IN DESPATCH OF CIRCULAR**

Reference is made to the Announcement dated 17 July 2008 of the Company in relation to the Acquisition. The Company has applied to the Stock Exchange for a waiver from strict compliance with Rules 14.38 and 14A.49 of the Listing Rules to extend the time of despatch of the Circular from 7 August 2008 to be on or before 19 September 2008.

Reference is made to the announcement dated 17 July 2008 (the “Announcement”) of C Y Foundation Group Limited (the “Company”) in relation to the Acquisition, which constitutes a very substantial acquisition and connected transaction for the Company. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those used in the Announcement.

Pursuant to Rules 14.38 and 14A.49 of the Listing Rules, the Company is required to issue a circular in relation to the Acquisition (the “Circular”) to its Shareholders within 21 days after publication of the Announcement, which is on or before 7 August 2008.

However, additional time is required to collate certain information (including audited financial information on the Target Group and an accountants’ report thereon, pro forma financial information on the enlarged Group following Completion (“Enlarged Group”), as well as a valuation report on the properties of the Enlarged Group) to be included in the Circular. The Company has applied to the Stock Exchange for a waiver from strict compliance with Rules 14.38 and 14A.49 of the Listing Rules to extend the time of despatch of the Circular from 7 August 2008 to be on or before 19 September 2008.

On behalf of the Board
Samuel Woelm
Executive Director

Hong Kong, 7 August 2008

As at the date hereof, the executive directors of the Company are Mr. Cheng Chee Tock Theodore (Chairman), Dato Poh Po Lian, and Mr. Woelm Samuel; non-executive directors are Mr. Wu Chuang John and Mr. Cao Dongxin; and the independent non-executive directors are Mr. Sze Tsai Ping Michael, Dr. Chow Steven, and Mr. Wang Shan Chuan.