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C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

CONDITIONS FOR RESUMPTION OF TRADING IN THE SHARES

Financial Adviser



博大資本國際有限公司
Partners Capital International Limited

Reference is made to the announcement of C Y Foundation Group Limited (the “**Company**”, which together with its subsidiaries, the “**Group**”) dated 26 April 2011 in relation to certain conditions imposed by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on the resumption of trading of the Company’s shares. The Company has made various announcements and submissions on, and submitted a proposal for the trading resumption to the Stock Exchange since then.

The board (the “**Board**”) of directors of the Company is pleased to announce that, by a letter dated 25 June 2012, the Stock Exchange allows trading resumption subject to the following conditions:-

- (a) provision of a confirmation from Frederick C.Y. Wong & Company that the Company has adequate financial reporting system and internal control procedures;
- (b) provision of a comfort letter from the Company’s auditors or financial adviser confirming that the Company will have sufficient working capital for at least 12 months after resumption; and
- (c) issuance of announcements by the Company to inform the market of the development of (i) the repossession of management control over the PRC Subsidiaries[#]; and (ii) the outstanding litigations.

[#] *The PRC Subsidiaries refer to the seven subsidiaries of the Company, namely (i) 海南寶瀛實業有限公司 (Hainan Treasure Way Enterprises Limited); (ii) 海南佳瀛網絡科技有限公司 (Hainan Jiaying Internet Technology Company Limited*); (iii) 蘇州中青基業娛樂投資管理有限公司 (Suzhou C Y Foundation Entertainment and Investment Management Limited); (iv) 中青投資諮詢(無錫)有限公司 (CYC Investment Consultancy (Wuxi) Limited); (v) 龍品投資諮詢(上海)有限公司 (Longpin Investment Consultancy (Shanghai) Company Limited*); (vi) 上海巨豐網絡科技有限公司 (Shanghai Jufeng Internet Technology Company Limited*); and (vii) 上海基豐投資管理有限公司 (Shanghai Jifeng Investment Management Company Limited*), all of them were established in the People’s Republic of China.*

The Stock Exchange may modify the resumption conditions if the Company's situation changes.

The Board shall use its best endeavours to fulfill the above conditions and issue an announcement to update the market of the development of the Group as soon as possible.

At the request of the Company, trading in the shares of the Company has been suspended since 9:30 a.m. on 30 August 2010 and will remain suspended until further notice.

The release of this announcement does not necessarily indicate the shares of the Company will be resumed for trading. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
SNEAH Kar Loon
Chairman

Hong Kong, 26 June 2012

As at the date of this announcement, the executive Directors of the Company are Mr. SNEAH Kar Loon and Mr. SIK Siu Kwan, the non-executive Director is Mr. NG Kwok Lun, the independent non-executive Directors are Mr. LAI Hock Meng, Mr. BALAKRISHNAN Narayanan, Mr. YONG Peng Tak and Mr. IO Rudy Cheok Kei.

**For identification purpose only*