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

ANNOUNCEMENT IN RESPECT OF AN ORIGINATING SUMMONS

Reference is made to the announcements of C Y Foundation Group Limited (“Company”) dated (i) 13 September 2010 in relation to, inter alia, the postponement of the annual general meeting of the Company for the financial year ended 31 March 2010 and (ii) 6 December 2010 in relation to the appointment of KPMG as the independent professional firm to, inter alia, review the Company’s audited financial statements for the year ended 31 March 2010 (collectively “Announcements”). Unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Announcements.

The Board wishes to announce that on 3 December 2010, Mr Ng Pui Lung (“Mr Ng”), one of the Independent Non-executive Directors of the Company, issued, with the consent of the Board, an Originating Summons in the Supreme Court of Bermuda (“Originating Summons”). The Originating Summons was issued pursuant to section 76(1) of the Companies Act 1981 for directions, inter alia, that the annual general meeting of the Company for the year 2010 be convened within 30 days of (i) the restatement of the Company’s audited financial statements for the year ended 31 March 2010 (“09/10 Financial Statements”), or (ii) a decision by the Board that the Company’s 09/10 Financial Statements should not be restated, whichever is earlier after the review by KPMG, for transacting the general businesses of the Company as stipulated under the Company’s Bye-law 61 and such special business as the Board may see fit.

Mr Ng is the Plaintiff in the Originating Summons, the Company is named as the 1st Defendant, and Luck Continent Limited is the 2nd Defendant. A sealed copy of the Originating Summons has been served to the Company on 6 December 2010.

The Company will keep the Shareholders and potential investors informed of any further material development in connection with the Originating Summons by way of further announcement(s) as and when appropriate.

On behalf of the Board
Woelm Samuel
Executive Director

Hong Kong, 15 December 2010

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.