

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

**ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE
AND
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Reference is made to the announcement of the Company dated 27 January 2010 in relation to the Offers (the “Announcement”). Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcement.

An independent board committee (the “Independent Board Committee”) has been established to consider the terms of the Offers and to make a recommendation to the Shareholders and the Optionholders. Members of the Independent Board Committee comprise all the independent non-executive Directors, namely Mr. Wang Shan Chuan, Mr. Ng Pui Lung and Mr. Fung Pui Cheung, Eugene.

China Everbright Capital Limited (the “Independent Financial Adviser”), with the approval of the Independent Board Committee, has been appointed as the independent financial adviser to advise the Independent Board Committee in connection with the Offers in accordance with Rule 2.1 of the Takeovers Code.

Within 14 days after the date of posting of an offer document by the Offeror, the Company will despatch an offeree board circular in relation to the Offers to the Shareholders and Optionholders. The offeree board circular to be despatched will contain, amongst other things, the information required under the Takeovers Code, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser.

Shareholders and Optionholders are advised to read the offer document and offeree board circular including the Letter from the Independent Financial Adviser carefully before reaching a decision on the Offers.

On behalf of the Board
Cheng Chee Tock Theodore
Chairman

Hong Kong, 11 February 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.