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C Y FOUNDATION GROUP LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1182)

REQUISITION OF SUBSTANTIAL SHAREHOLDER TO INCREASE THE MAXIMUM NUMBER OF DIRECTORS AND TO APPOINT ADDITIONAL DIRECTORS

Reference is made to the announcement of the Company dated 3 December 2009 (the “**Announcement**”), regarding the captioned matter. Terms in this announcement shall have the same meanings as those defined in the Announcement unless defined otherwise.

Subsequent to the publication of the Announcement, the Company has been advised by Bermuda special legal counsel that there are currently no relevant provisions in the Companies Act 1981 of Bermuda or the Bye-laws of the Company which entitles the shareholders of the Company to nominate and appoint directors at a special general meeting. Thus, insofar as related to the appointment of additional directors, the requisition of Luck Continent is invalid. The Company intends to arrange for a special general meeting to be convened as requisitioned by Luck Continent to consider and if appropriate, vote on a proposed increase in the maximum number of directors to 25, but the Company will not be including proposals to appoint additional directors at that special general meeting.

By order of the Board
Cheng Chee Tock Theodore
Chairman

Hong Kong, 14 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.