
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in C Y Foundation Group Limited, you should at once hand this circular and the enclosed proxy form to the purchaser or transferee or to the bank manager, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to C Y Foundation Group Limited. The directors of C Y Foundation Group Limited collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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**C Y FOUNDATION GROUP LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock code: 1182)

**PROPOSALS FOR AMENDMENTS TO CERTAIN
BYE-LAWS OF THE COMPANY**

A notice convening a special general meeting of the Company to be held at 22/F, 200 Gloucester Road, Wanchai, Hong Kong on 26 February 2010, Friday, at 11:00 a.m. is set out on pages 5 to 6 of this circular.

If you are not able to attend the said meeting, please complete and return the proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjourned meeting(s) should you so wish.

20 January 2010

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DEFINITIONS

In this circular, the following expressions have the following meanings, unless the context otherwise requires:

“Bye-laws”	the bye-laws of the Company
“Board”	the board of Directors
“Company”	C Y Foundation Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Companies Act”	the Companies Act 1981 of Bermuda as may from time to time be amended
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be held at 22/F, 200 Gloucester Road, Wanchai, Hong Kong on 26 February 2010, Friday at 11:00 a.m., notice of which is set out on pages 5 to 6 of this circular
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1182)

Executive directors:

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
Mr. HU Xichang

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business:

17th Floor
200 Gloucester Road,
Wanchai
Hong Kong

Independent non-executive directors:

Mr. WANG Shan Chuan
Mr. NG Pui Lung

20 January 2010

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR AMENDMENTS TO CERTAIN BYE-LAWS OF THE COMPANY

INTRODUCTION

The purpose of this circular is to provide Shareholders with information regarding special resolutions to amend certain Bye-laws at the SGM.

AMENDMENT TO THE BYE-LAWS

On 30 December 2009, the Company received a requisition from Luck Continent Limited, a substantial shareholder (as defined in the Listing Rules) of the Company to convene a special general meeting for considering and, if thought fit, passing a special resolution to amend Bye-law 86(4) to the effect that a Director can be removed by an ordinary resolution (not a special resolution) of the Company. The amendment is in compliance with Appendix 3 of the Listing Rules.

LETTER FROM THE BOARD

To comply with section 66(1) of the Companies Act, the Company proposes to amend Bye-law 44 to the effect that principal register and branch register of members of the Company are open for inspection by the members of the public without charge.

Two (2) special resolutions will be proposed at the SGM to amend the Bye-laws. Details of the proposed amendments, as marked up for ease of reference, to the Bye-laws are set out below:

Bye-Law 44 The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by ~~Members~~members of the public without charge ~~or by any other person, upon a maximum payment of five Bermuda dollars,~~ at the Office or such other place ~~in Bermuda~~ at which the Register is kept in accordance with the Act ~~or, if appropriate, upon a maximum payment of ten dollars at the Registration Office.~~ The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

Bye-Law 86(4) Subject to any provision to the contrary in these Bye-laws the Members may, at any general meeting convened and held in accordance with these Bye-laws, by ~~special~~ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.

SGM

At the SGM, resolutions will be proposed to the Shareholders in respect of the special business of the Company to be considered at the SGM, being the amendment to certain Bye-laws. The notice of the SGM is set out on pages 5 to 6 of this circular. A form of proxy for use at the SGM is also enclosed. If you are not able to attend the meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time

LETTER FROM THE BOARD

appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

In accordance with Rule 13.39 (4) of the Listing Rules, the vote of the Shareholders will be taken by poll at the SGM.

RECOMMENDATION

The Directors consider that the amendment to the Bye-laws is in the interests of the Company as well as the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the special resolutions relating to the amendment of the Bye-laws to be proposed at the SGM.

Yours faithfully,
By order of the Board
WOELM Samuel
Executive Director

NOTICE OF THE SGM



C Y FOUNDATION GROUP LIMITED

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NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of C Y Foundation Group Limited (the “Company”) will be held at 22/F, 200 Gloucester Road, Wanchai, Hong Kong on 26 February 2010, Friday at 11:00 a.m. for the following purposes:

1. As a special business, to consider and, if thought fit, to pass with or without modification the following resolution as a special resolution of the Company:

“**THAT** the existing Bye-laws of the Company be and are hereby amended by deleting the existing Bye-law 44 in its entirety and substituting therefore the following:–

“44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by members of the public without charge at the Office or such other place at which the Register is kept in accordance with the Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”

2. As a special business, to consider and, if thought fit, to pass with or without modification the following resolution as a special resolution of the Company:

“**THAT** the existing Bye-laws of the Company be and are hereby amended by replacing the word “special” with “ordinary” in Bye-law 86(4).

By order of the Board
WOELM Samuel
Executive Director

Hong Kong, 20 January 2010

NOTICE OF THE SGM

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Completion and return of the proxy form will not preclude a member from attending and voting in person at the meeting or any adjourned meeting should he so wish.
2. In order to be valid, the proxy form, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that authority must be deposited at the principal place of business of the Company at 17/F, 200 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.