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## **C Y FOUNDATION GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1182)

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of C Y Foundation Group Limited (“Company”) will be held at Falcon Room II, Basement, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on 6 April 2011, Wednesday, at 11:00 am for the following purposes:

1. To receive and consider the consolidated financial statements, the directors’ report and the auditor’s report of the Company for the year ended 31 March 2010.
2. To re-elect the retiring directors of the Company (“Directors”) for the ensuing year.
3. To determine the maximum number of Directors be reduced to 12 or such number as may be determined by the Company at this general meeting pursuant to bye-law 86(6) of the Company with immediate effect and that the Directors shall not have the power to appoint additional Directors to the Board of the Company.
4. To determine 12 as the maximum number of Directors, to authorize the Directors to appoint the Directors up to the maximum number and to authorize the Board to fix the Directors’ remuneration.
5. To resolve that one of the following audit firms, subject to such firm’s acceptance of appointment or consent to be appointed as auditors and in accordance with the requirements of section 89(3A) of the Bermuda Companies Act 1981, be appointed as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company at a fee to be agreed with the Board with Veda Capital Limited acting as an advisor to the Board with regards to such fee:
  - (a) PricewaterhouseCoopers;
  - (b) Deloitte Touche Tohmatsu;
  - (c) KPMG;
  - (d) Nelson Wheeler;
  - (e) HLP Hodgson Impey Cheng; and
  - (f) Grant Thornton.

6. To re-appoint SHINEWING (HK) CPA Limited as auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration.
7. To consider and, if thought fit, to pass the following resolutions, with or without amendments, as ordinary resolutions:

(A) **THAT**

- (a) subject to paragraph A(c), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph A(a) shall authorise the Directors during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph A(a), otherwise than pursuant to a Rights Issue (as hereinafter defined) or any option scheme or similar arrangement for the time being adopted for the grant or issue to participants of the Company, its subsidiaries, and its ultimate holding company (if any) which is also listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and its subsidiaries, of shares or right to acquire shares in the Company shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and

- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).

**(B) THAT**

- (a) subject to paragraph B(b), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on the Stock Exchange or on any other stock exchange on which the shares in the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of The Rules Governing the Listing of Securities on the Stock Exchange or on any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares in the Company to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph B(a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and

(iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

(C) **THAT** conditional upon resolutions number 7(A) and 7(B) above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution number 7(B) above be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to resolution number 7(A) above.

By order of the Board  
**CHEUNG Chin Wa Angus**  
*Company Secretary*

Hong Kong, 15 March 2011

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.