
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)

PROPOSAL FOR AMENDMENT TO THE BYE-LAWS

A notice convening a special general meeting of the Company to be held at 22/F, 200 Gloucester Road, Wanchai, Hong Kong on 2 July 2010, Friday, at 11:00 a.m. is set out on page 4 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 and in such event, the proxy shall be deemed to be revoked.

8 June 2010

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DEFINITION

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

“Bye-law(s)”	the bye-law(s) 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
“Director(s)”	the director(s) of the Company
“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 2 July 2010, Friday at 11:00 a.m.
“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
Mr. FUNG Pui Cheung Eugene

To the Shareholders

8 June 2010

Dear Sir or Madam,

PROPOSAL FOR AMENDMENT TO THE BYE-LAWS

INTRODUCTION

The purpose of this circular is to provide Shareholders with the notice of the SGM and information regarding a special resolution of the proposed amendment to Bye-laws at the SGM.

AMENDMENT TO THE BYE-LAWS

The Company plans to convene a special general meeting for reconsidering and, if thought fit, passing a special resolution to amend Bye-law 86(4) of the Bye-laws to the effect that a Director can be removed by an ordinary resolution (not a special resolution) of the Company. The proposed amendment is in compliance with Appendix 3 of the Listing Rules.

LETTER FROM THE BOARD

Detail of the proposed amendment, as marked up for ease of reference, to the Bye-law is set out below:

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, a special resolution will be proposed to the Shareholders in respect of special business of the Company to be considered at the SGM, being the amendment to Bye-laws. The notice of the SGM is set out on page 4 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 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 and in such event, the proxy shall be deemed to be revoked.

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 best 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 resolution in relation to the amendment to the Bye-laws to be proposed at the SGM.

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

NOTICE OF 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 2 July 2010, Friday at 11:00 a.m. for the purpose to consider and, if thought fit, to pass with or without modification the following resolution of the Company:

SPECIAL RESOLUTION

“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
LAU Ying Kit
Company Secretary

Hong Kong, 8 June 2010

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.