
THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this supplemental circular or as to the action to be taken, you should consult an exchange participant or other registered dealer in securities, 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 supplemental circular and the accompanying revised form of proxy to the purchaser or transferee or to the bank, exchange participant or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

SUPPLEMENTAL CIRCULAR TO SHAREHOLDERS RELATING TO RE-ELECTION OF DIRECTORS AT THE ANNUAL GENERAL MEETING

This supplemental circular should be read together with the circular issued by the Company to the shareholders of the Company dated 28 August 2013 (the “**Circular**”) and the notice convening an annual general meeting of the Company to be held at 6/F – Tin Hau Function Room, L’hotel Causeway Bay Harbour View Hong Kong, 18 King’s Road, Causeway Bay, Hong Kong on Friday, 27 September 2013, at 11:00 am (the “**AGM**”). A revised form of proxy (the “**Revised Form of Proxy**”) is also enclosed with this supplemental circular for use at the AGM. The Revised Form of Proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk.

The form of proxy despatched with the Circular is superseded by the Revised Form of Proxy enclosed herewith. Whether or not you intend to attend and vote at the AGM, you are requested to complete and return the enclosed Revised Form of Proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as possible and in any event no less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the Revised Form of Proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

The English text of this supplemental circular shall prevail over the Chinese text for the purpose of interpretation.

6 September 2013

LETTER FROM THE BOARD

C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

Executive Directors

SNEAH Kar Loon (*Chairman*)

BALAKRISHNAN Narayanan

NG Kwok Lun

LIN Zheyang

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-executive Directors

LAI Hock Meng

YONG Peng Tak

IO Rudy Cheok Kei

GOH Hoon Leum

Principal Place of Business

in Hong Kong

Unit 3503B-5, 35/F

148 Electric Road

North Point

Hong Kong

6 September 2013

To the Shareholders

Dear Sir/Madam,

SUPPLEMENTAL CIRCULAR TO SHAREHOLDERS RELATING TO RE-ELECTION OF DIRECTORS AT THE ANNUAL GENERAL MEETING

INTRODUCTION

This supplemental circular should be read together with the circular issued by the Company to the shareholders of the Company dated 28 August 2013 (the “**Circular**”) and the notice convening an annual general meeting of the Company to be held at 6/F – Tin Hau Function Room, L’hotel Causeway Bay Harbour View Hong Kong, 18 King’s Road, Causeway Bay, Hong Kong on Friday, 27 September 2013, at 11:00 am (the “**AGM**”). Unless the context otherwise requires, capitalised terms used herein shall bear the same meanings as defined in the Circular. The purpose of this supplemental circular is to provide you with further information relating to the re-election of Directors and the Revised Form of Proxy (as defined below).

LETTER FROM THE BOARD

Reference is made to the announcements dated 1 February 2013 and 22 March 2013 respectively (the “**Announcements**”) in relation to the appointments of Mr. LIN Zheyang as executive Director and Mr. GOH Hoon Leum as independent non-executive Directors of the Company. In accordance with Bye-laws 86(2), any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re election at that meeting. As such, Mr. LIN Zheyang and Mr. GOH Hoon Leum shall offer themselves for re-election at the AGM.

The biographical details of Mr. LIN Zheyang and Mr. GOH Hoon Leum are set out in Appendix I to this supplemental circular.

The notice of the AGM set out in the Circular remains valid as there is no change in the resolutions therein, therefore no supplemental notice of AGM is enclosed to this supplemental circular.

REVISED FORM OF PROXY

As a result of the addition of the Directors to be retired and offered for re-election at the AGM subsequent to the despatch of the Circular containing the notice of AGM and accompanying form of proxy (the “**First Form of Proxy**”), a Revised Proxy Form with Mr. LIN Zheyang and Mr. GOH Hoon Leum to be retired and offered for re-election at the AGM has been prepared and is enclosed with this supplemental circular.

Whether or not you intend to attend the AGM, you are requested to complete and return the accompanying Revised Form of Proxy 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 holding the AGM.

Special arrangements about completion and submission of the Revised Form of Proxy are also set out in Appendix II to this supplemental circular. Shareholders who have appointed or intend to appoint proxy/proxies to attend the AGM are requested to pay particular attention to the special arrangements set out therein.

LETTER FROM THE BOARD

RECOMMENDATION

In addition to the recommendation contained in the Circular, the Directors also consider that the proposed re-election of Mr. LIN Zheyang and Mr. GOH Hoon Leum as Directors as set out in this supplemental circular are in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolution(s) to be proposed at the AGM.

On behalf of the Board

Sneah Kar Loon

Chairman

Set out below are details of the Directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM:

LIN Zheyang (“Mr. Lin”), aged 48, joined the Group in February 2013. Mr. Lin obtained a bachelor’s degree in Economics from Shanxi Finance and Economics University in 1987, an Executive Master of Business Administration degree from Guanghua School of Management, Peking University in 2003, and a doctorate degree in business administration from France Rennes School of Business in 2008. Mr. Lin has been an executive director of the Hankore Environment Tech Group Limited, a company listed on the Singapore Exchange Securities Trading Limited since May 2011. He is currently the Chairman of Jade Capital Management Limited. Previously, Mr. Lin worked for Chinese Ministry of Commerce, and he was a member of the Small and Medium Size Enterprises Training Committee of the Shenzhen Stock Exchange. He was a specialist member of the specialist committee of the China Development Bank. He is also a member of the Advisory Committee of the China-Italy Mandarin Fund. Mr. Lin is the legal representative of PRC subsidiaries of the Company. Save as disclosed, Mr. Lin has not previously held any position with the Group.

As at the date hereof, Mr. Lin was not interested or deemed to be interested in any Shares or underlying shares of the Company pursuant to Part XV of the SFO.

GOH Hoon Leum (“Mr. Goh”), aged 63, joined the Group in March 2013. Mr. Goh has a bachelor’s degree in Land Economics from University of Technology, Sydney and a master’s degree in Property from University of Newcastle, Australia. He is the Fellow member of Singapore Institute of Surveyors and Valuers and a member of Australia Property Institute. Presently Mr. Goh is the Project Director of Real Estate Investment of Uncharted Group Limited. He is an independent non-executive director of Wellcall Holdings Berhad, a company listed on the Bursa Malaysia, the Malaysian Stock Exchange. Mr. Goh has more than 30 years of experience in construction and property development industry. He spent first 5 years of his employment in construction industry before starting his 13 years career with Hong Leong Group, an established property development company. He owned a property consultancy and investment business before joining public listed companies as their Project Director. Mr. Goh specialized in property development management advisory and has been serving clients in Singapore and the People’s Republic of China. He is well connected with the industry and has been involved in ensuring optimization the land use of many delicate development projects. Mr. Goh is a licensed Appraiser in Lands & Buildings and an accredited Resident Technical Officer (Building and Civil Engineering Works) of Singapore. Mr. Goh was conferred a Public Service Medal (PBM) in 1996 by the President of The Republic of Singapore.

As at the date hereof, Mr. Goh was interested or deemed to be interested in 1,500,000 Shares within the meaning of Part XV of the SFO and was not interested or deemed to be interested in any underlying shares in the Company within the meaning of Part XV of the SFO.

Save as disclosed above, as at the date hereof, Mr. Lin and Mr. Goh were not interested or deemed to be interested in any Shares or underlying shares of the Company pursuant to Part XV of the Securities and Futures Ordinance.

Save as disclosed above, in the three years immediately preceding the date hereof, Mr. Lin and Mr. Goh had not held any directorship in listed public companies or other major appointments and qualifications. Mr. Lin and Mr. Goh do not have any relationships with any other directors, substantial shareholders, controlling shareholders or senior management of the Company. Save as disclosed above, Mr. Lin and Mr. Goh do not hold any position with the Company and its subsidiaries other than their existing directorship of the Company.

No service agreement has been entered into between the Company and Mr. Lin and Mr. Goh and they are subject to retirement and re-election in accordance with the Bye-laws of the Company.

Save as mentioned above, Mr. Lin and Mr. Goh confirmed that there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with their re-election and save as disclosed above, there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

**SPECIAL ARRANGEMENTS ABOUT COMPLETION AND SUBMISSION OF THE
REVISED FORM OF PROXY**

A Shareholder who has not yet lodged the First Form of Proxy with the Company's Hong Kong branch share registrar is requested to lodge the Revised Form of Proxy if the Shareholder wishes to appoint proxy/proxies to attend the AGM on its/his/her behalf. In this case, the First Form of Proxy should not be lodged with the Company's Hong Kong branch share registrar. A Shareholder who has already lodged the First Form of Proxy with the Company's Hong Kong branch share registrar should note that:

- (i) If no Revised Form of Proxy is lodged with the Company's Hong Kong branch share registrar, the First Form of Proxy, if correctly completed, will be treated as a valid proxy form lodged by the Shareholder.

The proxy/proxies so appointed by the Shareholder will be entitled to vote at its/his/her discretion or to abstain from voting on any resolution properly put to the AGM including the resolutions in relation to the re-election of Mr. Lin as executive Director and Mr. Goh as independent non-executive Director as set out in this supplemental circular;

- (ii) if the Revised Form of Proxy is lodged with the Company's Hong Kong branch share registrar 48 hours prior to the time appointed for holding the AGM (the "**Closing Time**"), the Revised Form of Proxy, if correctly completed, will be treated as a valid proxy form lodged by the Shareholder and will revoke and supersede the First Form of Proxy previously lodged by the Shareholder; and
- (iii) if the Revised Form of Proxy is lodged with the Company's Hong Kong branch share registrar after the Closing Time, or if lodged before the Closing Time but is incorrectly completed, the proxy appointment under the Revised Form of Proxy will be invalid. The First Form of Proxy, if correctly completed, will be treated as a valid proxy form lodged by the Shareholder. The proxy/proxies so appointed by the Shareholder under the First Form of Proxy will be entitled to vote in the manner as mentioned in (i) above as if no Revised Form of Proxy is lodged with the Company's Hong Kong branch share registrar.

Completion and return of the First Form of Proxy Form and/or the Revised Form of Proxy will not preclude you from attending and voting at the AGM (or at any adjournment thereof) if you so wish. Shareholders who have appointed or intend to appoint proxy/proxies to attend the AGM are requested to pay attention to the special arrangements set out above.