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If you have sold all your shares in C Y Foundation Group Limited (“Company”), you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1182)

**SUPPLEMENTAL CIRCULAR TO THE CIRCULAR
TO SHAREHOLDERS DATED 18 MARCH 2011 RELATING TO
NOMINATION OF ADDITIONAL CANDIDATES
FOR ELECTION AS DIRECTORS
AT THE ANNUAL GENERAL MEETING
AND
A SUPPLEMENT TO THE NOTICE OF
THE ANNUAL GENERAL MEETING**

This supplemental circular should be read together with the circular to Shareholders dated 18 March 2011.

A supplement to the notice of AGM of C Y Foundation Group Limited to be held at 11:00 am on 6 April 2011, Wednesday, is set on pages 12 to 15 of this supplemental circular. A second form of proxy for use at the AGM is enclosed and also published on the website of the Stock Exchange and the Company.

Whether or not you are able to attend the meeting, please complete the enclosed new form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company at 22/F, 200 Gloucester Road, Wanchai, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be). Completion and return of the new form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) should you so wish.

29 March 2011

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Falcon Room II, Basement, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Wednesday, 6 April 2011 at 11:00 am
“Board”	the board of Directors
“Circular”	the circular of the Company dated 18 March 2011 relating to proposals for general mandate to repurchase shares and re-election of the retiring directors and notice of AGM
“Closing Time”	48 hours before the time appointed for holding the AGM
“Company”	C Y Foundation Group Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	28 March 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general mandate to repurchase its fully paid up shares
“Shareholder(s)”	holder(s) of the Shares
“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

CHENG Chee Tock Theodore (*Chairman*)

WOELM Samuel

WU Chuang John

CAO Dongxin

HO Chi Chung Joseph (*Acting CEO*)

YU Ping

ZHANG Yiwei

TANG Ming

HU Xichang

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal Place of Business

22/F

200 Gloucester Road

Wanchai

Hong Kong

Independent Non-executive Directors

WANG Shanchuan

NG Pui Lung

FUNG Pui Cheung Eugene

29 March 2011

To Shareholders

Dear Sir/Madam,

**SUPPLEMENTAL CIRCULAR TO THE CIRCULAR
TO SHAREHOLDERS DATED 18 MARCH 2011 RELATING TO
NOMINATION OF ADDITIONAL CANDIDATES
FOR ELECTION AS DIRECTORS
AT THE ANNUAL GENERAL MEETING
AND A SUPPLEMENT TO THE NOTICE OF
THE ANNUAL GENERAL MEETING**

INTRODUCTION

This supplemental circular should be read together with the Circular, which contains, among other things, information of Repurchase Mandate and re-election of the retiring Directors at the AGM and notice of AGM. The purpose of this Supplemental Circular is to provide you with information regarding nomination of additional candidates for election as Directors at the AGM.

LETTER FROM THE BOARD

NOMINATION OF DIRECTORS

On 17 March 2011, the Company received a nomination notice from Luck Continent Limited, a substantial shareholder (as defined in the Listing Rules) of the Company, in relation to their intention to propose the following persons for election as Directors in the AGM in place of the retiring directors at the AGM or as additional Directors pursuant to bye-law 88 of the Bye-laws of the Company:

1. Mr Sneah Kar Loon;
2. Mr Hua Teng;
3. Mr Lai Hock Meng;
4. Mr Chua Chun Lim;
5. Mr Law Chiu William;
6. Dato Carl Gunnar Myhre;
7. Mr Tan Eng Leng Herbert;
8. Mr Balakrishnan Narayanan;
9. Mr Yong Peng Tak;
10. Dato Lim Sze Guan;
11. Mr Io Rudy Cheok Kei; and
12. Mr Ng Kwok Lun.

Biographical details as provided by Luck Continent Limited of the above candidates are set out under the section headed “APPENDIX 1 – Details of candidates proposed to be elected at AGM”. Important information and special arrangements in relation to the second proxy form are set out under the section headed “APPENDIX 2 – SECOND PROXY FORM”.

On behalf of the Board
Cheng Chee Tock Theodore
Chairman

Set out below are details as provided by Luck Continent Limited of the candidates who are proposed by Luck Continent Limited to be elected as Directors at the AGM:

(1) Mr Sneah Kar Loon

Mr Sneah Kar Loon, aged 53, was the chief financial officer of the Company from May 2007 to July 2007, the business development executive of the Company from July 2007 to October 2007, and the chief executive officer of the Company from November 2007 to November 2008.

Mr Sneah had a bachelor's degree in Asian studies from Lawrence University, Wisconsin, the United States of America, and a master's degree in international management from the American Graduate School of International Management, Arizona, the United States of America.

He had held senior management positions in a global financial institution, and had over 20 years of experience in investment banking, corporate finance, and private venture capital business. He is currently the group chief executive officer of Weike (S) Pte Ltd ("Weike") in Singapore.

(2) Mr Hua Teng

Mr Hua Teng, aged 36, is the vice president of Shanghai Go Best Investment Management Co., Ltd., a company focused on capital market services. Mr Hua obtained a bachelor's degree in engineering (in traffic and transportation) from Tongji University in 1998 and obtained a master's degree in economics from East China Normal University in 2003.

From 2003 to 2005, Mr Hua worked as the project manager in 上海潔華諮詢有限公司 (Shanghai Jiehua Consultancy Company Limited, being its unofficial English translation) and from 2005 to 2007, he worked as the assistant manager in Shanghai Mingyuan Enterprise Group Company Limited, responsible for strategic planning, project finance and daily operation management for the food division.

(3) Mr Lai Hock Meng

Mr Lai Hock Meng, aged 55, has a Bachelor of Arts degree and a Master of Arts degree from the University of Cambridge in England, majoring in economics. He is also a chartered financial analyst with the CFA Institute in the United States of America and a fellow of the Chartered Institute of marketing in the United Kingdom. He spent more than 26 years in financial industry, including central banking, investment banking, private banking, stockbroking and private equity. The key positions he held include Managing Director (Singapore) of Morgan Grenfell Asia & Partners Securities, Managing Director (Asia Pacific) of SocGen-Crosby Securities, Director and Senior Private Banker (Singapore and Indonesia) of Citigroup Private Bank and Regional Market Manager (China, Hong Kong, Taiwan and Thailand) of OCBC Private Bank.

Mr Lai is currently the Chairman of Singapore-based corporate advisory firm HML Consulting Group. He is also a non-executive director of Champ Buyout III Pte Ltd, as well as a member of the investment committee of Tembusu Partners Pte. Ltd., both companies are involved in private equity investment. Mr Lai currently serves on the editorial board of the CFA Digest. He is a member of Singapore Institute of Directors, an inquiry panel member of the Law Society of Singapore and a member of the Academic Board, East Asia Institute of Management, Singapore.

Mr Lai is the independent director of various companies listed on the Singapore Exchange Securities Trading Limited (the “SGX Stock Exchange”), including China Energy Limited, China Essence Group Ltd., China Oilfield Technology Services Group Limited, Delong Holdings Limited, Xpress Holdings Limited, Metax Engineering Corp Limited, WesTech Electronics Limited and ASTI Holdings Limited. He is also the non-executive director of PureCircle Limited, a company listed on the London Stock Exchange.

He was the managing director of Morgan Grefell & Partners Securities Pte. Ltd. (“MGAPS”) from 1993 to 1996. In January 1994, MGAPS was found to have breached the regulations of the then Stock Exchange of Singapore pertaining to net adjusted capital of MGAPS. The breach was because the company trading in business volumes in excess of a certain multiple of its capital after adjusting for, among other items, the doubtful debts, book losses on customers’ outstanding position and shares awaiting for collection. MGAPS was fined for a sum of HK\$75,000 by the then Stock Exchange of Singapore for the breach. Mr Lau was not personally involved in matters leading to such breach.

(4) Mr Chua Chun Lim

Mr Chua Chun Lim, aged 52, graduated from Catholic Junior College in Singapore in 1977. Mr Chua has extensive experience in business field. He started his career by working as the assistant general manager of Golden Pte. Ltd. in Singapore from 1979 to 1982. He then acted as advisor and consultant to various garment manufacturing companies in Singapore from 1982 to 1987, responsible for process improvement. He held managerial positions in Item Exhibition Pte. Ltd. in Singapore from 1987 to 1989, in Wang Sada Sdn. Bhd. in Malaysia from 1987 to 1989 and in TK Exhibition Pte. Ltd. in Singapore from 1989 to 1994. Since 1995, he acted as advisor and consultant to various beauty salons and chain stores in China, responsible for business development and marketing.

(5) Mr Law Chiu William

Mr Law Chiu William, aged 52, graduated from Ryerson Polytechnic University in Canada with a bachelor’s degree of technology in 1984. He obtained his master’s degree in business administration in 2001 from the University of Canberra in Australia.

Since 2000 and until the date hereof, Mr Law has been a director of Talent Construction Limited. Mr Law has extensive experience in civil engineering field. He worked as the engineering manager in Abatement Engineering Limited in Canada from 1986 to 1990, as the technical coordinator in Roads Department, Municipal Government, Town of

Markham, Canada from 1990 to 1993, as the project manager in Universal Dockyard Limited in Hong Kong from 1993 to 1995 and as the site agent in Aoki Corporation in Hong Kong from 1995 to 2000.

(6) Dato Carl Gunnar Myhre

Dato Carl Gunnar Myhre, aged 51, has been a Non-Independent Non-Executive Director of Axis REIT Managers Berhad since 15 March 2005. On 20 November 2006, he was appointed the Non-Independent Executive Deputy Chairman of Axis REIT Managers Berhad.

He graduated with a Diploma in Chemistry from the University of Gothenburg, Sweden in 1980 and a Diploma in Marketing from the University of Oslo, Norway in 1981. From 1985 to 1993, he was the Managing Director of Jotun Powder Coatings (M) Sdn. Bhd.

In 1989, he embarked on a build and lease project with the multinational APV Hills & Mills. In 1992, he teamed up with other investors to build Crystal Plaza. This was followed with the building of Axis Business Park, Axis Plaza and Menara Axis, all of which formed the core portfolio of Axis-REIT upon listing. He is also a director of a number of private companies, which are involved in property development and property investment. He is also the director of Axis Development Sdn. Bhd. since 1999.

As at the date hereof, Dato Myhre holds 5,310,000 shares of the Company.

(7) Mr Tan Eng Leng Herbert

Mr Tan Eng Leng Herbert, aged 40, graduated from Nanyang Junior College in Singapore. Mr Tan worked as the managing director of Tatingers (S) Pte. Ltd. from 1996 to present, as the managing partner of Toons Paradise from 1997 to 1998, as the managing partner of Mini Toons from 1998 to 2002. Since 2002 and until the date hereof, Mr Tan has been the managing director of Mini Toons Pte. Ltd., responsible for managing the entire group of retail chain stores selling gift and lifestyle products in Singapore and Malaysia.

(8) Mr Balakrishnan Narayanan

Mr Balakrishnan Narayanan, aged 55, obtained his bachelor's degree in economics in Amherst college, Massachusetts, the United States of America in 1978 and obtained his master's degree in journalism in Columbia University in New York in 1980. Mr Balakrishnan has been a director of The Cool Investor Limited, a company specialises in outsourcing editorial services to scientific, medical and technical journals and books since 1996 until the date hereof.

Mr Balakrishnan worked as the federal reserve board correspondent in CNS News Services from 1980 to 1982, as the assistant to editor in Singapore Press Holdings from 1982 to 1986, as the research manager from Bankers Trust Brokerage from 1986 to 1989, as the specialist writer on finance in Far Eastern Economic Review from 1989 to 1994, and as the manager in Value Partners Fund Management from 1994 to 1996.

(9) Mr Yong Peng Tak

Mr Yong Peng Tak, aged 42, has been the chief executive officer in Fortress Capital Asset Management (M) Sdn. Bhd. in Malaysia since 2002 until the date hereof. Mr Yong obtained his bachelor's degree in accountancy in Nanyang Technological Institute, The National University of Singapore in 1990. He started his career as an audit assistant in PriceWaterhouse Coopers in Singapore in 1990, and left PriceWaterhouse Coopers as a supervisor in 1993. He then furthered his studies in the United Kingdom and obtained his master's degree in business administration from the University of London in 1994.

In 1995, Mr Yong joined BHLB Asset Management Sdn. Bhd. as manager and he left BHLB Asset Management Sdn. Bhd. as senior manager in 2000. He was the chief investment officer in Pacific Mutual Fund Bhd. from 2000 to 2002. Mr Yong is also a chartered financial analyst and a certified public accountant in Singapore.

(10) Dato Lim Sze Guan

Dato Lim Sze Guan, also known as Lim Kim Wah, aged 63, obtained his bachelor's degree in engineering from the University of Malaya. He has extensive experience in civil engineering field, and he worked as a civil engineer in Public Works Department of Malaysia from 1974 to 1976 and as a senior manager in Southland Sdn. Bhd., a property development company, from 1976 to 1979. From 1980 to 1999, he held managerial positions in various property development companies. Since 1988 to 2007, he had held a position as chief executive officer and as board director of various public listed companies, including Magnum Corp Bhd., Leisure Management Bhd., Manila Jockey Club and China Entertainment Holdings. He is currently the chairman of Faberange Holdings Sdn. Bhd., a properties development and management company.

Dato Lim was an non-executive director of Sino Strategic International Limited, a company listed on the Australian Stock Exchange, and resigned in December 2009.

As at the date hereof, Dato Lim holds 5,500,000 shares of the Company.

(11) Mr Io Rudy Cheok Kei

Mr Io Rudy Cheok Kei, aged 50, was the chief financial officer of the Company from July 2007 to March 2008. He is currently a corporate consultant in corporate strategy, restructuring, mergers and acquisitions and direct investment in China. Mr Io has extensive knowledge in retailing, media and the energy industries. He has over 20 years of experience in managing the overall finance of large listed group in the greater China region. He had been the greater China chief financial officer of JC Decaux (China) Holding Limited, a worldwide out of home media group listed in France and the chief financial officer of China Power International Development Limited, a state-owned power company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). In the mid-1990s, he worked for the Henry Fok Yin Tong Group in the "Nansha New City" project in Panyu, Guangdong, China as a senior finance executive.

Mr Io is a member of the Canadian Institute of Chartered Accountants and a fellow member of the Hong Kong Institute of Certified Public Accounts. He holds a bachelor's degree in administrative studies from York University, Toronto, Canada and a master's degree in business (information technology) from Curtin University of Technology, Australia.

(12) Mr Ng Kwok Lun

Mr Ng Kwok Lun, aged 51, was the chief financial officer of the Company from July 2008 to December 2008.

Mr Ng obtained a bachelor's degree in accountancy from the City University of Hong Kong in 1991, and obtained a master's degree in business from Graduate School of Business, Strathclyde University in 2006. He is also an associate of the Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretary and Administrators and the Hong Kong Institute of Company Secretaries. He is also a fellow of The Chartered Association of Certified Accounts.

Mr Ng served as chief financial officer in various companies listed on the Stock Exchange, including TCL Communication Technology Holdings Limited, Genvon Group Limited (formerly known as Wang Sing International Holdings Group Limited) and Applied Development Holdings Ltd. (formerly known as Applied International Holdings Limited). He has extensive experience in corporate finance and management from professional accounting, banking, international retailing and manufacturing industries. He is currently the chief financial officer of Clickoo Limited.

Save as disclosed above, each of the proposed directors was 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 as at the date hereof.

Save as disclosed above, in the three years immediately preceding the date hereof, each of the proposed directors had not held any directorship in listed public companies or other major appointments and qualifications. Each of the proposed directors does not have any relationships with any other directors, substantial shareholders, controlling shareholders or senior management of the Company. Each of the proposed directors does not hold any position with the Company and its subsidiaries.

No service agreement has been entered into between the Company and each of the proposed directors. If the appointment of each of the proposed directors is approved at the annual general meeting of the Company and any terms of services have been agreed with the Company, further announcement will be made.

Save as mentioned above, each of the proposed directors confirmed that there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with his appointment 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 Rules Governing the Listing of Securities on the Stock Exchange.

THE BOARD'S COMMENTS ON THE CANDIDATES PROPOSED TO BE ELECTED AT THE AGM

Upon perusing the background information provided by Luck Continent Limited of the candidates set out in this Supplemental Circular (“Candidates”), the Board would like to draw Shareholders’ attention to the following:

1. Mr Sneah Kar Loon was a former employee of the Company. He is currently the group chief executive officer of Weike. The Company as the 1st Plaintiff and Billion Cosmos Investment Limited, a wholly owned subsidiary of the Company as the 2nd Plaintiff have commenced an action in the Court of First Instance under HCA No. 370 of 2011 on 7th March 2011 against Weike as the 1st Defendant and Mr Poh Po Lian, who is a former director of the Company, 100% shareholder of Luck Continent Limited and 50% shareholder of Weike, as the 2nd Defendant for, inter alia, breach of agreement and breach of director’s duties owed by Mr Poh toward the Company. Details of this action have been set out in the Announcement of the Company dated 10 March 2011. Weike is an associate of a connected person of the Company within the meaning of the Listing Rules in that Mr Poh Po Lian has a controlling interest in both the Company and Weike. The Board considers there to be a potential conflict of interest on the part of Mr Sneah Kar Loon which the Shareholder is invited to consider if Mr Sneah is to be elected as Director, having regard to his current position at Weike as aforesaid and the on-going proceedings against Weike in the aforesaid HCA No. 370 of 2011.
2. The Board notes that none of the Candidates have experience as directors of a listed company in Hong Kong and may not be familiar with the requirements of the Listing Rules. Shareholders are invited to consider whether the Candidates are therefore suitable to be elected as director of the Company.
3. The Board would like to draw Shareholders’ attention to Principle A1 of the Principles of Good Governance, Code Provisions and Recommended Best Practices as follows: “*An issuer should be headed by an effective board which should assume responsibility for leadership and control of the issuer and be collectively responsible for promoting the success of the issuer by directing and supervising the issuer’s affairs. Directors should take decisions objectively in the interests of the issuer.*” The biography of some of the Candidates indicates that they do not have working experiences directly relating to the markets of Hong Kong and the People’s Republic of China (“PRC”) where the majority of the Company’s online businesses are operated. The working experiences of those Candidates are confined principally to Singapore and Malaysia. Shareholders are invited to consider whether those Candidates are suitable to be elected as Directors.
4. Principle A3 provides that “*the Board should have a balance of skills and experience appropriate for the requirements of the business of the issuer.*” The principal business of the Group is in interactive media entertainment, in particular,

in providing entertainment services across PRC through its proprietary network of online tournaments and owner-operated entertainment centres. The Board notes that many of the Candidates have no experiences or technical knowledge related to the above business of the Group.

5. Principle A3 above further provides that *“The board should include a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is a strong independent element on the board, which can effectively exercise independent judgment.”* Under Rule 3.10 of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive directors. Rule 3.13 sets out the guidelines on independent non-executive directors. The Board notes that none of the Candidates are nominated to be independent non-executive directors. Should all the Candidates be elected the Board will cease to possess the element of independence as required by Rule 3.10 and Rule 3.13.
6. Principle A3 further provides that *“The board should ensure that changes to its composition can be managed without undue disruption.”* Each of the Candidates is proposed to be elected to replace each director who shall retire at the AGM. The Board is of the view that the replacement of all the retired directors by the Candidates will cause “undue disruption” to the management and business of the Company particularly having regard to the lack of knowledge of most of the Candidates in the field of business operated by the Company, compared with the experience and knowhow of the incumbent retiring directors in the business of the Company.
7. Rule 3.09 of the Listing Rules provides that *“Every director of a listed issuer must satisfy the Exchange that he has the character, experience and integrity and is able to demonstrate a standard of competence commensurate with his position as a director of a listed issuer.”* Shareholders are invited to consider whether the Candidates possess the requisite qualification and experience as provided under Rule 3.09 above to be a Director.

SPECIAL ARRANGEMENTS ABOUT COMPLETION AND SUBMISSION OF THE SECOND PROXY FORM

A Shareholder who has not yet lodged the Proxy Form ("First Proxy Form") which was sent together with the circular of the Company dated 18 March 2011 with the Company's principal place of business is requested to lodge the Second Proxy Form if he/she wishes to appoint proxy/proxies to attend the AGM on his/her behalf. In this case, the First Proxy Form should **not** be lodged with the Company's principal place of business.

A Shareholder who has already lodged the First Proxy Form with the Company's principal place of business should note that:

1. **If no Second Proxy Form is lodged with the Company's principal place of business, the First Proxy Form will be treated as a valid proxy form lodged by him/her if correctly completed.** The proxy/proxies so appointed by the Shareholder will be entitled to vote at his/her discretion or to abstain from voting on any resolution properly put to the AGM other than those referred to in the notice convening the AGM dated 15 March 2011.
2. **If the Second Proxy Form is lodged with the Company's principal place of business before the Closing Time, the Second Proxy Form will revoke and supersede the First Proxy Form previously lodged by him/her. The Second Proxy Form will be treated as a valid proxy form lodged by the Shareholder if correctly completed.**
3. **If the Second Proxy Form is lodged with the Company's principal place of business after the Closing Time, the Second Proxy Form will be invalid. However, it will revoke the First Proxy Form previously lodged by the Shareholder, and any vote that may be cast by the purported proxy/proxies (whether appointed under the First Proxy Form or the Second Proxy Form) will not be counted in any poll which will be taken on a proposed resolution. Accordingly, Shareholders are advised not to lodge the Second Proxy Form after the Closing Time. If such Shareholders wish to vote at the AGM, they will have to attend and vote at the AGM in person.**

Shareholders are reminded that completion and delivery of the First Proxy Form and/or the Second Proxy Form will not preclude Shareholders from attending and voting in person at the AGM or at any adjourned meeting should they so wish.

SUPPLEMENT TO THE NOTICE OF AGM



C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1182)

A SUPPLEMENT TO THE 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 elect the candidates proposed by Luck Continent Limited as Directors in place of the retiring Directors or as additional Directors for the ensuing year.
4. 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 of the Company shall not have the power to appoint additional Directors to the Board of the Company.
5. 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.
6. 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;

SUPPLEMENT TO THE NOTICE OF AGM

- (e) HLP Hodgson Impey Cheng; and
 - (f) Grant Thornton.
7. 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.
8. 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

SUPPLEMENT TO THE NOTICE OF AGM

- (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.

SUPPLEMENT TO THE NOTICE OF AGM

- (C) **THAT** conditional upon resolutions number 8(A) and 8(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 8(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 8(A) above.

By order of the board
Cheung Chin Wa Angus
Company Secretary

Hong Kong, 29 March 2011

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint proxy(ies) to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited at the principal place of business of the Company in Hong Kong at 22nd Floor, 200 Gloucester Road, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. The biographical details of all candidates proposed to be elected at the forthcoming annual general meeting, are provided in this circular.
4. A Shareholder who has already lodged the Proxy Form ("First Proxy Form") which was sent together with the circular of the Company dated 18 March 2011 with the Company's principal place of business should note that:
 - (i) If no Second Proxy Form is lodged with the Company's principal place of business, the First Proxy Form will be treated as a valid proxy form lodged by him/her if correctly completed. The proxy/proxies so appointed by the Shareholder will be entitled to vote at his/her discretion or to abstain from voting on any resolution properly put to the AGM other than those referred to in the notice convening the AGM dated 15 March 2011.
 - (ii) If the Second Proxy Form is lodged with the Company's principal place of business 48 hours before the time appointed for convening the AGM ("Closing Time"), the Second Proxy Form will revoke and supersede the First Proxy Form previously lodged by him/her. The Second Proxy Form will be treated as a valid proxy form lodged by the Shareholder if correctly completed.
 - (iii) If the Second Proxy Form is lodged with the Company's principal place of business after the Closing Time, the Second Proxy Form will be invalid. However, it will revoke the First Proxy Form previously lodged by the Shareholder, and any vote that may be cast by the purported proxy/proxies (whether appointed under the First Proxy Form or the Second Proxy Form) will not be counted in any poll which will be taken on a proposed resolution. Accordingly, Shareholders are advised not to lodge the Second Proxy Form after the Closing Time. If such Shareholders wish to vote at the AGM, they will have to attend and vote at the AGM in person.