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C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

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 Horizon Room, 7/F, Metropark Hotel Causeway Bay Hong Kong, 148 Tung Lo Wan Road, Causeway Bay, Hong Kong on Wednesday, 15 July 2015 at 3:30 p.m. (or immediately after the conclusion of the annual general meeting of the Company to be held at 3:00 p.m. on the same day, if later), to consider and, if thought fit, pass with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the grant of 17,450,000 share options (the “**Share Options**”) by the board (the “**Board**”) of directors (the “**Directors**”) of the Company on 27 March 2015 pursuant to the share option scheme (the “**Share Option Scheme**”) of the Company adopted on 28 September 2012 (as amended) to certain eligible participants (the “**Grantees**”), including 1,000,000 Share Options to Mr. Er Kwong Wah, an independent non-executive Director, entitling them to subscribe for a total of 17,450,000 ordinary shares (the “**Shares**”, each a “**Share**”) of HK\$0.01 each in the share capital of the Company at the exercise price of HK\$0.2372 per Share subject to such conditions as imposed by the Board be approved, confirmed and ratified;
- (b) subject to and conditional upon the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) of the listing of and permission to deal in the 17,450,000 Shares (the “**Option Shares**”) which may fall to be allotted and issued upon exercise of the subscription rights under the Share Options, the specific mandate for the allotment and issue of the Option Shares be and are hereby approved; and

- (c) any one Director be and is hereby authorized to approve and execute all documents, instruments and agreements and to do all such acts and things deemed by him to be necessary or expedient for the purpose of giving effect to the grant of the 17,450,000 Share Options to the Grantees.”

2. **“THAT**

- (a) the price payable to subscribe for the Shares upon exercise of the subscription rights attached to the 56,990,000 share options (the **“Outstanding Options”**) granted by the Company on 10 January 2014 and 3 July 2014 to certain Directors and other employees of the Company and its subsidiaries which remain outstanding as at the date of passing of this resolution be reduced from HK\$0.47 and HK\$0.415, respectively, per Share to HK\$0.2372 per Share; and
- (b) any one Director be and is hereby authorized to approve and execute all documents, instruments and agreements and to do all such acts and things deemed by him to be necessary or expedient for the purpose of giving effect to the amendment to the terms of the Outstanding Options referred to in subparagraph (a) above.”

3. **“THAT**

- (a) Paragraph 6.3(b) of the Share Option Scheme be deleted in its entirety and replaced and substituted by the following:

“in the event of the Grantee who is an employee or a director of the Group or any Invested Entity ceasing to be an Eligible Participant by reason of ill-health, voluntary resignation, retirement or expiration of his term of directorship in accordance with his contract of employment before exercising the Option in full, he may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of sub-paragraph 6.2 within a period of twelve months following the date of such cessation or, if any of the events referred to in sub-paragraph 6.3(g), 6.3(h) or 6.3(i) occurs during such period, exercise the Option pursuant to sub-paragraphs 6.3(g), 6.3(h) or 6.3(i) respectively. The date of cessation as aforesaid shall be the last day on which the Grantee is actually at work with the Company or the relevant Subsidiary or the relevant Invested Entity whether salary is paid in lieu of notice or not;”;

- (b) the amendment to the Share Option Scheme referred to in subparagraph (a) above shall apply to the Share Options granted to the Grantees referred to in resolution numbered 1 above (if the resolution numbered 1 above is so passed) and the Outstanding Options referred to in resolution numbered 2 above (whether or not the resolution numbered 2 above is passed or not); and
 - (c) any one Director be and is hereby authorized to do all such acts and execute such documents as may be necessary, desirable or expedient in order to give full effect to the amendment to the Share Option Scheme referred to in subparagraph (a) above.”
4. “**THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of option to be granted under the refreshed scheme mandate limit (the “**Scheme Mandate Limit**”) under the Share Option Scheme,
- (a) the refreshment of the Scheme Mandate Limit of up to 10 per cent. of the Shares in issue as at the date of passing of this resolution be and is hereby approved; and
 - (b) any one Director be and is hereby authorized to approve and execute all documents, instruments and agreements and to do all such acts and things deemed by him to be necessary or expedient for the purpose of giving effect to the foregoing arrangement.”

Yours faithfully
For and on behalf of the Board of
C Y Foundation Group Limited
Carlos Luis SALAS PORRAS
Chairman

Hong Kong, 29 June 2015

Registered office:
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Bermuda

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business in Hong Kong:*
Unit 3503B-5, 35th Floor
148 Electric Road
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Notes:

1. A member of the Company entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and to vote on his behalf. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead.
2. Where there are joint registered holders of any share, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon must be deposited with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.
5. Save for any resolution(s) approving the procedural and administrative matters, any voting of the SGM should be taken by poll.

As at the date of this notice, the executive Directors are Mr. Carlos Luis SALAS PORRAS and Mr. LAI Hock Meng, the independent non-executive Directors are Mr. YONG Peng Tak, Mr. IO Rudy Cheok Kei, Mr. GOH Hoon Leum and Mr. ER Kwong Wah.