
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 your 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 (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

- (1) PROPOSED GRANT OF SHARE OPTIONS;**
- (2) PROPOSED AMENDMENT TO THE TERMS OF EXISTING SHARE OPTIONS GRANTED;**
- (3) PROPOSED AMENDMENT TO THE SHARE OPTION SCHEME;**
- (4) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT; AND**
- (5) NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the special general meeting of the Company to 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) is set out on pages 13 to 16 of this circular. A form of proxy for use at the special general meeting is enclosed with this circular.

Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish.

29 June 2015

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DEFINITIONS

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

“Announcement”	the announcement of Company dated 27 March 2015 in relation to: (i) the proposed grant of Share Options; (ii) the proposed amendment to the terms of existing Share Options granted; (iii) the proposed amendments to the Share Option Scheme; and (iv) the Proposed Scheme Refreshment
“associate(s)/close associate(s)”	has the same meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	C Y Foundation Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company from time to time
“Grantees”	the eligible participants of the Share Option Scheme which were granted the Share Options by the Board on 27 March 2015
“Group”	the Company and all of its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders other than the Grantees and the holders of the Outstanding Options (as the case may be) and their respective close associates
“Latest Practicable Date”	24 June 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Outstanding Options”	the outstanding Share Options which remain unexercised as at the Latest Practicable Date (excluding the Share Options granted to the Grantees)
“Proposed Scheme Refreshment”	the proposed refreshment of the Scheme Mandate Limit under the Share Option Scheme at the SGM
“Scheme Mandate Limit”	the total number of Shares which may be allotted and issued upon exercise of all options to be granted by the Board under the Share Option Scheme and any other share option scheme(s) of the Company to subscribe up to 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed, the total number of Shares which may be allotted and issued upon exercise of all options to be granted shall not exceed 10% of the Shares in issue as at the date of approval by the Shareholders of the refreshed limit
“SGM”	the special general meeting of the Company to be convened and 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, approve, among others, the proposed grant of Share Options to the Grantees, the proposed amendment to the terms of Outstanding Options, the proposed amendment to the Share Option Scheme and the Proposed Scheme Refreshment
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	the share option(s) granted to the participants under the Share Option Scheme to subscribe for the Shares in accordance with the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 28 September 2012 and amended on 8 August 2014

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s) from time to time
“substantial shareholder”	has the same meaning ascribed to it in the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

Executive Directors:

Carlos Luis SALAS PORRAS (*Chairman*)

LAI Hock Meng (*Chief Executive Officer*)

Independent non-executive Directors:

YONG Peng Tak

IO Rudy Cheok Kei

GOH Hoon Leum

ER Kwong Wah

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place of
business in Hong Kong:*

Unit 3503B-5, 35th Floor

148 Electric Road

North Point

Hong Kong

29 June 2015

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GRANT OF SHARE OPTIONS;
(2) PROPOSED AMENDMENT TO THE TERMS OF
EXISTING SHARE OPTIONS GRANTED;
(3) PROPOSED AMENDMENT TO THE SHARE OPTION SCHEME; AND
(4) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT**

INTRODUCTION

Reference is made to the Announcement in which the Board proposed grant of Share Options, amendment to the terms of existing Share Options granted, amendments to the Share Option Scheme and refreshment of Scheme Mandate Limit.

The purpose of this circular is to provide you with information regarding all the resolutions to be proposed at the SGM relating to the proposed grant of Share Options, the proposed amendment to the terms of existing Share Options granted, the proposed amendment to the Share Option Scheme and the proposed refreshment of Scheme Mandate Limit.

LETTER FROM THE BOARD

PROPOSED GRANT OF SHARE OPTIONS

On 27 March 2015, the Board resolved to grant a total of 17,450,000 Share Options to the Grantees to subscribe for an aggregate of 17,450,000 Shares, subject to their respective acceptances, in accordance with the Share Option Scheme. By offering the Share Options to the Grantees, the Company intends to reward them for their contribution to the businesses of the Group and/or to encourage them to remain in the service and/or employment of the Group and devote their best efforts to the Group and thereby would enhance the performance of the Group.

The following are principal terms of the 17,450,000 Share Options granted:

Date of grant : 27 March 2015

Exercise price of the Share Options granted : HK\$0.2372 per Share

which represents the highest of (i) the closing price of HK\$0.234 per Share on 27 March 2015 (i.e. the date of grant); (ii) the average of the closing prices of HK\$0.2372 per Share as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Share, which is HK\$0.01.

Total number of the Share Options granted : 17,450,000

Validity periods of the Share Options granted (start and end dates inclusive) : There are four types of validity periods:

- (1) 3,350,000 Share Options granted shall be unconditionally vested on the date of grant and are exercisable within 5 years from the date of grant (the “**Type I Validity Period**”).
- (2) 950,000 Share Options granted shall be unconditionally vested equally in 2 tranches on 1 December 2015 and 2016 respectively and are exercisable within 5 years from the respective vesting dates (the “**Type II Validity Period**”).

LETTER FROM THE BOARD

- (3) 11,230,000 Share Options granted shall be unconditionally vested equally in 4 tranches on 1 December of 2015, 2016, 2017 and 2018 respectively and are exercisable within 5 years from the respective vesting dates (the “**Type III Validity Period**”).
- (4) 1,920,000 Share Options granted shall be vested, subject to the achievement of certain performance targets set by the Company, equally in 3 tranches on 1 July of 2015, 2016 and 2017 respectively and are exercisable within 5 years from the respective vesting dates (the “**Type IV Validity Period**”).

Among the 17,450,000 Share Options granted, 1,000,000 Share Options were granted to Mr. Er Kwong Wah who is an independent non-executive Director. The other Grantees are all staff of the Group including Chief Operation Officer, Chief Financial Officer, Head of Engineering, Human Resources and Administration Manager, Finance Manager and head of Engineering etc. Save for Mr. Er Kwong Wah, none of the Grantees is a Director, chief executive or a substantial Shareholder of the Company, or any of their respective associates. Other than the validity period and the vesting conditions (if any), the terms of the Share Options granted to each Grantee are the same. The following table sets out the breakdown of the Share Options granted to the Grantees:

	Number of Share Options granted				Total Share Options granted
	Validity period				
	Type I Validity Period	Type II Validity Period	Type III Validity Period	Type IV Validity Period	
				<i>(Note 2)</i>	
Grantee 1	–	–	1,050,000	160,000	1,210,000
Grantee 2	–	–	830,000	–	830,000
Grantee 3	–	–	1,050,000	160,000	1,210,000
Grantee 4	–	–	300,000	–	300,000
Grantee 5	–	50,000	–	60,000	110,000
Grantee 6	50,000	200,000	–	100,000	350,000
Grantee 7 <i>(Note 1)</i>	1,000,000	–	–	–	1,000,000

LETTER FROM THE BOARD

	Number of Share Options granted				Total Share Options granted
	Validity period				
	Type I Validity Period	Type II Validity Period	Type III Validity Period	Type IV Validity Period	
				<i>(Note 2)</i>	
Grantee 8	2,000,000	–	8,000,000	1,200,000	11,200,000
Grantee 9	<u>300,000</u>	<u>700,000</u>	<u>–</u>	<u>240,000</u>	<u>1,240,000</u>
Sub –total:	<u><u>3,350,000</u></u>	<u><u>950,000</u></u>	<u><u>11,230,000</u></u>	<u><u>1,920,000</u></u>	<u><u>17,450,000</u></u>

Notes:

1. Grantee 7 is Mr. Er Kwong Wah who is an independent non-executive Director
2. Type IV Validity Period is subject to the achievement of certain performance targets set by the Company

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of Share Options granted to the Grantees.

PROPOSED AMENDMENT TO THE TERMS OF EXISTING SHARE OPTIONS GRANTED

At as 31 March 2015, excluding the 17,450,000 Share Options granted on 27 March 2015, there were 69,490,000 Share Options granted previously which remained outstanding. Subsequently and up to the Latest Practicable Date, 12,500,000 Share Options were lapsed such that as at the Latest Practicable Date, there are 56,990,000 Outstanding Options granted previously which remain outstanding, of which 9,300,000 Share Options are exercisable at the exercise price of HK\$0.47 per Share and 47,690,000 Share Options are exercisable at the exercise price of HK\$0.415 per Share.

Given the performance of the Share price before the Announcement, the exercise prices of the Outstanding Options were significantly higher than the then market prices of the Shares (i.e. the closing price on 27 March 2015 was HK\$0.234 per Share). The Board considered that the Outstanding Options could no longer serve the purposes of providing rewards and/or incentives to the relevant grantees, as a result of which the good intention of the Board to grant such options to encourage them to remain in the service and/or employment of the Group and devote their best efforts to the Group is thereby defeated. In the circumstances, the Board proposed to reset the exercise prices of the Outstanding Options to HK\$0.2372 per Share, to be in line with the exercise price of the Share Options granted to the Grantees on 27 March 2015.

The Board considers that the proposed reset of the exercise prices of the Outstanding Options is in compliance with the requirements of Chapter 17 of the Listing Rules.

LETTER FROM THE BOARD

PROPOSED AMENDMENT TO THE SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Company on 28 September 2012 and its certain terms had been subsequently amended on 8 August 2014, the details of which are set out in the circular of the Company dated 24 July 2014. In order to allow the Board to have more flexibility in the administration of the Share Option Scheme and to improve the attractiveness of the Share Option Scheme as incentive or reward to the eligible participants, the Board proposes to further amend the terms and conditions of the Share Option Scheme such that if the grantee of a Share Option ceases to be an eligible participant by reason of voluntary resignation or expiration of his term of directorship in accordance with his contract of employment before exercising the Share Option in full, he may exercise the Share Option (to the extent not already exercised) in whole or in part within a period of twelve months (instead of six months) following the date of such cessation.

The Board proposes that such amendment shall also apply to the Outstanding Options and the Share Options granted to the Grantees on 27 March 2015.

The Board considers that the proposed amendment to the Share Option Scheme above is in compliance with the requirements of Chapter 17 of the Listing Rules.

REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company pursuant to the resolution of the Company passed on 28 September 2012. The Scheme Mandate Limit was 10% of the Shares in issue as at the date of adoption of the Share Option Scheme in compliance with the Listing Rules. Subject to prior Shareholders' approval, the Company may, at any time thereafter, refresh the Scheme Mandate Limit to the extent not exceeding 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval.

As at the date of the adoption of the Share Option Scheme, the total number of Shares in issue was 696,871,032 Shares. Pursuant to the terms of the Share Option Scheme and in compliance with the Listing Rules, the Company was authorised to grant Share Options to subscribe for up to a maximum number of 69,687,103 Shares. As at the Latest Practicable Date, the Scheme Mandate Limit has all been utilized and has not been refreshed since its adoption.

As at the Latest Practicable Date, the Company has 1,325,823,214 Shares currently in issue. Assuming no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the maximum number of Shares which may be issued upon the exercise of all the Share Options to be granted under the Scheme Mandate Limit as refreshed will be 132,582,321 Shares, representing 10% of the issued share capital of the Company as at the date of approval of the Proposed Scheme Refreshment by the Shareholders at the SGM.

LETTER FROM THE BOARD

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme or other schemes at any time will not exceed 30% of the Shares in issue from time to time. Assuming the resolution regarding the Proposed Scheme Refreshment is passed by the Shareholders at the SGM and all refreshed Scheme Mandate Limit is used up for the grant of the Share Options, the Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme or other schemes will not exceed 30% of the number of issued Shares as at the Latest Practicable Date:

	Number of Share which may be issued upon exercise of the Share Options granted	Approximate percentage of total issued share capital of the Company
The Share Options granted on 27 March 2015 (<i>Note 1</i>)	17,450,000	1.3%
The Outstanding Options as at the Latest Practicable Date (<i>Note 2</i>)	56,990,000	4.3%
The maximum number of Share Options granted after the Scheme Mandate Limit is refreshed (<i>Note 3</i>)	132,582,321	10%
Total:	207,022,321	15.6%

Notes:

- (1) The Share Options granted on 27 March 2015 are to be issued under the specific mandate now being sought from the approval of the Independent Shareholders at SGM, being resolution numbered 1 set out in the Notice of SGM.
- (2) The Outstanding Options were granted under the Scheme Mandate Limit as at the date of approval of the Share Option Scheme.
- (3) Once the Proposed Scheme Refreshment is approved by the Shareholders at the SGM, being resolution numbered 4 set out in the Notice of SGM, the Company is entitled to issue a maximum of 132,582,321 Shares upon exercise of the Share Options to be granted under the refreshed Scheme Mandate Limit, representing 10% of the issued share capital of the Company as at the date of SGM.

LETTER FROM THE BOARD

The Board undertakes that no Share Options shall be granted under the Share Option Scheme or any scheme(s) of the Company if this will result in the 30% limit being exceeded.

The Board considers that it is in the interests of the Company to refresh the Scheme Mandate Limit so as to provide the Company with the flexibility of granting further Options under the Share Option Scheme and to provide incentives to, and recognise the contributions of, the Group's employees and other selected grantees which the Board considers to be in the interests of the Company and the Shareholders as a whole. The Board therefore seeks the approval of the Shareholders at the SGM to refresh the Scheme Mandate Limit.

Conditions of the Proposed Scheme Refreshment

The Proposed Scheme Refreshment is conditional upon: (i) the passing of the necessary ordinary resolution by the Shareholders at the SGM to approve the Proposed Scheme Refreshment; and (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of the Share Options to be granted under the refreshed Scheme Mandate Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of Share Options to be granted under the refreshed Scheme Mandate Limit.

LISTING RULES IMPLICATION

The grant of the Share Options to the Grantees has been reviewed and recommended by the Remuneration Committee of the Company with reference to the Board's corporate goals and objectives and been approved by the Board. In accordance with Rule 17.04(1) of the Listing Rules, the grant of the Share Options to Mr. Er Kwong Wah had been approved by the independent non-executive Directors (excluding Mr. Er Kwong Wah). However, given that there is no available Scheme Mandate Limit under the Share Option Scheme for the grant of the Share Options to the Grantees, the grant of the Share Options to the Grantees will be subject to approval by the Shareholders at the SGM to be convened (with the Grantees and their close associates abstaining from voting). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, three Grantees held 1,340,000 Shares (or 0.1% of the issued share capital of the Company) in aggregate as at the Latest Practicable Date. Accordingly, they shall be required to abstain from voting in respect of resolution numbered 1 set out in the Notice of SGM. If any other Grantees have any shareholding in the Company at the SGM, he/she shall also be required to abstain from voting in respect of resolution numbered 1 set out in the Notice of SGM.

LETTER FROM THE BOARD

The reset of the exercise price of the Outstanding Options amounts to a change of term of the Outstanding Options. According to note 2 to Rule 17.03(18) of the Listing Rules, the reset of the exercise prices of the Outstanding Options shall be subject to approval by the Shareholders at the SGM in which the holders of the Outstanding Options and their close associates shall abstain from voting. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, eight holders of the Outstanding Options held 15,650,000 Shares (or 1.18% of the issued share capital of the Company) in aggregate as at the Latest Practicable Date. Accordingly they shall be required to abstain from voting in respect of resolution numbered 2 set out in the Notice of SGM. If any other holders of the Outstanding Options have any shareholding in the Company at the SGM, he/she shall also be required to abstain from voting in respect of resolution numbered 2 set out in the Notice of SGM.

According to note (2) of Rule 17.03 of the Listing Rules, any alterations to the terms and conditions of the Share Option Scheme which are of a material nature must be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. Accordingly, the proposed amendment to the Share Option Scheme shall be approved by the Shareholders at the SGM. As the proposed amendment to the Share Option Scheme shall also apply to the Share Options granted to the Grantees and the Outstanding Options, the Grantees and the holders of the Outstanding Options and their respective close associates are required to abstain from voting in respect of the resolutions approving the amendment of the Share Option Scheme at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, three Grantees and eight holders of the Outstanding Options held 16,450,000 Shares (or 1.24% of the issued share capital of the Company) in aggregate as at the Latest Practicable Date. Accordingly they shall be required to abstain from voting in respect of resolution numbered 3 set out in the Notice of SGM. If any other holders of the Outstanding Options or Grantees have any shareholding in the Company at the SGM, he/she shall also be required to abstain from voting in respect of resolution numbered 3 set out in the Notice of SGM.

As no Shareholder has a material interest in the Proposed Scheme Refreshment, no Shareholder is required to abstain from voting in respect of resolution numbered 4 set out in the Notice of SGM.

SGM

The notice convening the SGM to 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) is set out on pages 13 to 16 of this circular. Resolutions will be proposed at the SGM to approve, among other things, (i) the proposed grant of Share Options to the Grantees; (ii) the proposed amendment to the terms of Outstanding Options; (iii) the proposed amendment to the Share Option Scheme; and (iv) the Proposed Scheme Refreshment.

LETTER FROM THE BOARD

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less 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 in person at the SGM or any adjournment thereof should you so wish.

The resolutions proposed to be approved at the SGM will be taken by poll and an announcement will be made by the Company after the SGM on the results of the SGM.

RECOMMENDATION

The Board (excluding Mr. Er Kwong Wah in respect of his interest in the proposed grant of Options to himself) considers the proposed grant of Share Options to the Grantees, the proposed amendment to the terms of Outstanding Options, the proposed amendment to the Share Options Scheme and the Proposed Scheme Refreshment are fair and reasonable and in the interest of the Company and the Shareholders as a whole and accordingly recommends the Shareholders or, as the case may be, the Independent Shareholders to vote in favour of all the resolutions to be proposed at the SGM for approving, among other things, the proposed grant of Share Options to the Grantees, the proposed amendment to the terms of the Outstanding Options, the proposed amendment to the Share Option Scheme and the Proposed Scheme Refreshment.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rule for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

NOTICE OF SGM

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.”

NOTICE OF SGM

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

NOTICE OF SGM

- (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:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Unit 3503B-5, 35th Floor
148 Electric Road
North Point
Hong Kong

NOTICE OF SGM

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.