
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 stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in C Y Foundation Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

**PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSALS FOR GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES,
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of C Y Foundation Group Limited to be held at Horizon Room, 7/F, Metropark Hotel Causeway Bay Hong Kong, 148 Tung Lo Wan Road, Causeway Bay, Hong Kong, on 15 July 2015, Wednesday, at 3:00 p.m. or at any adjournment thereof is set out on pages 15 to 18 of this circular.

Whether or not you intend to attend the annual general meeting, you are requested to complete the enclosed 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, Level 22, Hopewell Centre 183 Queen's Road East, Hong Kong as soon as possible and in any event no less than 48 hours before the time for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting or any adjournment thereof should you so wish.

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

12 June 2015

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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 Horizon Room, 7/F, Metropark Hotel Causeway Bay Hong Kong, 148 Tung Lo Wan Road, Causeway Bay, Hong Kong, on 15 July 2015, Wednesday at 3:00 p.m., the notice of which is set out on pages 15 to 18 of this circular, and any adjournment thereof
“Associates”	the same definition as described under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon
“Bye-law(s)”	the bye-law(s) of the Company, as amended from time to time
“close associates”	has the same meaning ascribed to it under the Listing Rules
“Companies Act”	the Companies Act 1981 of Bermuda, as amended from time to time
“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
“core connected person”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the number of shares of the Company repurchased under the Repurchase Mandate will be added to the number of shares of the Company which may be allotted and issued under the General Mandate

DEFINITIONS

“General Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with such number of new shares of the Company up to a maximum of 20% of the number of issued shares of the Company as at the date of passing the relevant resolution at the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“INED”	Independent non-executive director
“Latest Practicable Date”	9 June 2015, 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 and unconditional mandate proposed to be granted to the Directors to enable them to repurchase Shares up to a maximum of 10% of the number of issued shares of the Company as at the date of passing the relevant resolution at the AGM
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	means a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Act as modified from time to time) of the Company

DEFINITIONS

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar(s), 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

POH Po Lian (*Chairman*)

LAI Hock Meng (*Chief Executive Officer*)

Non-executive Director

Carlos Luis SALAS PORRAS

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

Principal Place of Business

Unit 3503B-5, 35/F

148 Electric Road

North Point

Hong Kong

12 June 2015

To Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSALS FOR GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES,
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM for the approval of, among other matters:–

- (1) the re-election of the retiring Directors; and
- (2) the granting of each of the General Mandate, the Repurchase Mandate and the Extension Mandate.

LETTER FROM THE BOARD

PROPOSED RE-ELECTION OF DIRECTORS

Pursuant to Bye-law 87, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Pursuant to Bye-law 86(2), any Director 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 (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting.

Pursuant to Bye-law 86(2), POH Po Lian and Carlos Luis SALAS PORRAS would retire by rotation at the AGM and being eligible, will offer themselves for re-election. Pursuant to Bye-law 87(1), IO Rudy Cheok Kei and YONG Peng Tak would retire by rotation at the AGM and being eligible, will offer themselves for re-election. The biographical details of the Directors proposed to be re-elected are set out in Appendix I to this circular.

PROPOSALS FOR GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The following ordinary resolutions, among others, will be proposed at the AGM in order to grant to the Directors the new general and unconditional mandates to exercise the powers of the Company to issue and repurchase Shares:

- (i) An ordinary resolution (resolution No. 5) to grant to the Directors the General Mandate to authorize them to allot, issue and otherwise deal with the additional Shares up to maximum of 20% of the number of issued Shares as at the date of passing of such resolution at the AGM. The General Mandate will end on (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held; or (iii) the date of the revocation or variation of the General Mandate by ordinary resolution of Shareholders in general meeting, whichever is the earliest;
- (ii) An ordinary resolution (resolution No. 6) to grant to the Directors the Repurchase Mandate to authorize them to repurchase Shares up to a maximum of 10% of the number of issued Shares as at the date of the AGM. The Repurchase Mandate will end on (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held; or (iii) the revocation or variation of the Repurchase Mandate by ordinary resolution of Shareholders in general meeting; whichever is the earliest; and

LETTER FROM THE BOARD

- (iii) Conditional upon the passing of resolutions No. 5 and No. 6 as stated above, an ordinary resolution (resolution No. 7) to extend the General Mandate by an amount representing the aggregate number of Shares repurchased by the Company under the Repurchase Mandate provided that such number of Shares shall not exceed 10% of the total number of issued Shares as the date of the AGM.

On the basis that 1,325,823,214 Shares were in issue as at the Latest Practicable Date and no further Shares are issued or repurchased after the Latest Practicable Date and up to the AGM, the Company would be allowed to issue a maximum of 265,164,642 Shares under the General Mandate and to repurchase a maximum of 132,582,321 Shares under the Repurchase Mandate.

Shareholders are invited to refer to the Notice of AGM for details of the abovementioned ordinary resolutions. An explanatory statement, as required by the Listing Rules containing information in connection with the Repurchase Mandate, is also set out in Appendix II to this circular.

AGM

The notice convening the AGM is set out in Appendix III to this circular. A form of proxy for the AGM is enclosed with this circular. If you do not intend to be present at the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event no less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the general meeting must be taken by poll save as resolution relates purely to a procedural or administrative matter which may be voted on a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors believe that the ordinary resolutions to be proposed at the AGM are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

On behalf of the Board
Dato POH Po Lian
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:

Dato POH Po Lian (“Dato Poh”), aged 57, was appointed as an executive director and chairman on 30 April 2015. Dato Poh first joined the Company as an executive director in February 2007, re-designated as non-executive director in April 2009 and resigned from the post with effect from 22 July 2009 due to his own business and other commitments. He has started his career as an entrepreneur in hospitality and leisure business in Singapore since 1977. Over the past 30 years, he has acquired extensive knowledge in managing gaming business in Asia, including Singapore, Malaysia, Vietnam, the Philippines and Cambodia. He has extensive experience in providing gaming machines solution in Cambodia, Vietnam and the Philippines. He also participated in building the Rendang Beach Resort in Malaysia and the Hainan Wenchang Golf Club in Hainan Province of the People’s Republic of China. He is also the founder and the chairman of Weike (S) Pte Ltd which is a manufacturer and distributor of slot machines, progressive jackpot link system, electronic table games, thrilling games and management system.

Dato Poh did not hold any directorships in other listed companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date. Dato Poh is the father of Mr. Poh Yuan Rui, a senior management of a subsidiary of the Company. Save as disclosed above, Dato Poh does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Dato Poh was the single largest shareholder of the Company. He was indirectly interested in or deemed to be interested in 736,059,745 shares of the Company, representing approximately 55.52% of the total issued shares of the Company within the meaning of Part XV of the SFO, of which 321,626,412 shares were held by Luck Continent Limited and 413,333,333 underlying shares were related to the convertible notes issued by the Company to Weike (G) Management Pte Ltd on 16 September 2013.

Save as disclosed above, Dato Poh did not have any interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Pursuant to the service agreement entered into between the Company and Dato Poh, Dato Poh was appointed as an executive Director as of 30 April 2015 and will continue thereafter until a notice of termination is served by either party of not less than three months. Dato Poh’s appointment is however subject to normal retirement and re-election by Shareholders pursuant to the Bye-laws. Dato Poh is entitled to receive a director emolument of HK\$1,950,000 per annum which was determined by the Board with reference to the recommendation of the Remuneration Committee of the Company.

There is no information which is disclosable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

Carlos Luis SALAS PORRAS (“Mr. Salas”), aged 38, joined the Group in May 2015. Mr. Salas obtained a Bachelor of Law degree in 1998, a Master of Law degree in business law in 1999, and Public Notary in 1999 from Universidad Internacional de las Americas, San Jose, Costa Rica. He also obtained a Master of Arts degree in International Law from University of Colorado, Colorado, United States of America in 2002. He is also a member each of Costa Rica Bar Association, Costa Rican National Bureau of Public Notaries, Spanish Chamber of Commerce of Costa Rica, Costa Rican Chamber of Commerce, International Bar Association and American Bar Association. Before joining the Company, Mr. Salas served as director, chief executive officer, chief commercial officer and similar senior positions of various private companies. He also served as senior partner or senior managing partner in several law firms in Costa Rica. He also held senior positions in private financial and multinational corporations. Mr. Salas was a practicing lawyer in Costa Rica in the areas of transactional real estate; foreign investment, project finance; corporate law; corporate governance; corporate finance; mergers and acquisitions; public offerings; venture capital, alliances and business contracts. In 2006, he received an award known as “Top 40 lawyers under 40” from Latin Lawyers Association, Buenos Aires, Argentina.

Mr. Salas did not hold any directorships in other listed companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date. Mr. Salas is not related to any directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

Mr. Salas does not have any interest in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Pursuant to the service agreement entered into between the Company and Mr. Salas, Mr. Salas was appointed as a non-executive Director as of 7 May 2015 and will continue thereafter until a notice of termination is served by either party of not less than two months. Mr. Salas’s appointment is however subject to normal retirement and re-election by Shareholders pursuant to the Bye-laws. Mr. Salas is entitled to receive a director’s emolument of HK\$120,000 per annum which was determined by the Board with reference to the recommendation of the Remuneration Committee of the Company.

There is no information which is disclosable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

IO Rudy Cheok Kei (“Mr. Io”), aged 54, joined the Group in April 2011. He is currently a corporate consultant in corporate strategy, restructuring, mergers and acquisitions and direct investment in China and overseas. Mr. Io was the chief financial officer of the Company from July 2007 to March 2008. In 2006, he was the great China CFO of JC Decaux China Holdings Limited (a subsidiary of a France listed multinational JCDecaux – the world’s largest outdoor media operator). In 2004 he was the CFO of China Power International Limited (a state-owned enterprise) listed on the Stock Exchange. Mr. Io 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. Mr. Io is a member of the Chartered Professional Accountants of Canada (CPA, CA) and a fellow member of the Hong Kong Institute of Certified Public Accountants (FCPA).

Mr. Io did not hold any directorships in other listed companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date. Mr. Io is not related to any directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Io was interested in 3,000,000 Shares, representing approximately 0.23% of the total issued shares of the Company within the meaning of Part XV of the SFO and 1,000,000 of which represented the share option granted to him with the right to subscribe for 1,000,000 Shares within the meaning of Part XV of the SFO.

Pursuant to the service agreement entered into between the Company and Mr. Io, Mr. Io was appointed as an independent non-executive Director as of 6 October 2011 and will continue thereafter until a notice of termination is served by either party of not less than three months. Mr. Io’s appointment is however subject to normal retirement and re-election by Shareholders pursuant to the Bye-laws. Mr. Io is entitled to receive a director’s emolument of HK\$170,000 per annum which was determined by the Board with reference to the recommendation of the Remuneration Committee of the Company.

There is no information which is disclosable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

YONG Peng Tak (“Mr. Yong”), aged 47, joined the Group in April 2011. He is currently also an independent non-executive director of Wellcall Holdings Berhad, a company listed on the Bursa Malaysia, the Stock Exchange in Malaysia. Mr. Yong founded and has been the chief executive officer in Fortress Capital Asset Management (M) Sdn Bhd, a licensed and regulated fund management firm, in Malaysia since 2002. Mr. Yong brings to the Group more than 20 years of experience in the areas of corporate finance, financial analysis, and professional portfolio management of investments in both private equities and public equities. Mr. Yong holds a Bachelor’s degree in Accountancy from the National University of Singapore and a Master’s degree in Business Administration from the Imperial College, University of London. Mr. Yong is also a Chartered Financial Analyst with the CFA Institute in the United States of America and a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants.

Save as disclosed above, Mr. Yong did not hold any directorships in other listed companies in Hong Kong or overseas in the three years preceding the Latest Practicable Date. Mr. Yong is not related to any directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Yong was interested in 1,800,000 Shares, representing approximately 0.14% of the total issued shares of the Company within the meaning of Part XV of the SFO and 1,000,000 of which represented the share option granted to him with the right to subscribe for 1,000,000 Shares within the meaning of Part XV of the SFO.

Pursuant to the service agreement entered into between the Company and Mr. Yong, Mr. Yong was appointed as an independent non-executive Director as of 8 April 2011 and will continue thereafter until a notice of termination is served by either party of not less than three months. Mr. Yong’s appointment is however subject to normal retirement and re-election by Shareholders pursuant to the Bye-laws. Mr. Yong is entitled to receive a director’s emolument of HK\$120,000 per annum which was determined by the Board with reference to the recommendation of the Remuneration Committee of the Company.

There is no information which is disclosable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Repurchase Mandate to the Directors:

LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

SHARE CAPITAL

As at the Latest Practicable Date, the Company has 1,325,823,214 Shares in issue and issued share capital of HK\$13,258,232.14

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on that basis and assuming no further Shares will be issued or repurchased prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 132,582,321 Shares representing share capital of HK\$1,325,823.21 being repurchased by the Company, representing 10% of the issued Shares of the Company as at the Latest Practicable Date.

REASON FOR THE REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to have a general authority from the Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Bye-laws and the applicable laws of Bermuda and the Listing Rules. The repurchase of Shares under the Repurchase Mandate will be financed from the Company's internal resources.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position as at 31 March 2015 (being the date up to which its latest published audited consolidated financial statements were made up), in the event that the proposed Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date and up to the Latest Practicable Date were as follows:

	Shares	
	Highest	Lowest
	<i>(HK\$)</i>	<i>(HK\$)</i>
2014		
June	0.530	0.370
July	0.470	0.395
August	0.425	0.345
September	0.355	0.290
October	0.320	0.280
November	0.310	0.260
December	0.290	0.221
2015		
January	0.300	0.193
February	0.260	0.200
March	0.250	0.218
April	0.740	0.239
May	0.940	0.530
June (up to and including the Latest Practicable Date)	0.980	0.780

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by Shareholders.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchase under the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws of the Company, and the applicable laws of Bermuda.

EFFECT OF THE TAKEOVERS CODE

If as a result of a share repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, pursuant to the latest disclosure of interests forms filed by the substantial Shareholders and to the best knowledge and belief of the Company, the substantial Shareholders and the Directors together with their Associates collectively were interested in or deemed to be interested in 930,777,503 Shares (413,333,333 are underlying shares which may be issued under convertibles notes) within the meaning of Part XV of the SFO representing approximately 70.20% of the issued share capital of the Company. In the event that the Directors exercised the Repurchase Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the AGM, assuming that there would not be changes in the issued share capital of the Company prior to the repurchase of Shares and that the substantial Shareholders and the Directors together with their Associates would not dispose of their respective Shares nor acquire additional Shares prior to any repurchase of Shares, the interest of the substantial Shareholders and the Directors, together with their Associates, in the Company would be increased to approximately 78.00% of the issued share capital. However, the Directors have no intention to exercise the

Repurchase Mandate to such extent that less than 25% of the issued share capital of the Company would be in public hands. As at the Latest Practicable Date, pursuant to the latest disclosure of interests forms dated 4 June 2015 filed by Dato Poh Po Lian and Ms. Zhang Lin Lin respectively, Dato Poh Po Lian was interested in 736,059,745 Shares (413,333,333 are underlying shares which may be issued under convertibles notes), whereas Ms. Zhang Lin Lin was interested in 174,217,758 Shares, representing approximately 55.52% and 13.14% in the total issued share capital of the Company respectively. In the event that the Directors exercise in full the Repurchase Mandate, the shareholding of the Company held by Dato Poh Po Lian and Ms. Zhang Lin Lin will increase to approximately 61.69% and 14.60% of the issued share capital of the Company respectively. The Directors have no intention to exercise the Repurchase Mandate to the extent that it will trigger a mandatory general offer obligation under the Takeovers Code. The Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of repurchase made pursuant to the Repurchase Mandate should the Repurchase Mandate be exercised in full.

SHARE REPURCHASE MADE BY THE COMPANY

During the previous six months immediately preceding the Latest Practicable Date, the Company had not repurchased, sold or redeemed any of the listed securities of the Company.

C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of C Y Foundation Group Limited (“**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 15 July 2015, Wednesday, at 3:00 p.m..

To consider and, if thought fit, to pass, with or without amendments, the resolution No. 1 to 7 as ordinary resolutions:

ORDINARY RESOLUTIONS

1. To receive and consider the consolidated financial statements, the directors’ reports and the auditor’s reports of the Company for the year ended 31 March 2015.
2. To re-elect the retiring directors of the Company (“**Directors**”), each as a separate resolution.
3. To authorise the board of directors (“**Board**”) of the Company to fix the Directors’ remuneration.
4. To re-appoint ZHONGHUI ANDA CPA Limited (formally known as ANDA CPA Limited) as auditors of the Company for the year ending 31 March 2016 and to authorize the Directors to fix their remuneration.
5. “**THAT**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and all other applicable laws, the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares (the “**Shares**”) in the share capital of the Company and to make or grant offers, agreements and options, including bonds, warrants, debentures, notes and other securities convertible into Shares, which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and options, including bonds, warrants, debentures, notes and other securities convertible into Shares, which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) 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 and its subsidiaries, of shares or right to acquire Shares shall not exceed 20% of the total number of issued shares of the Company as at the date of the passing 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 earliest 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 date of the revocation or variation of such mandate granted under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares or any class of Shares whose names appear 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).”

6. **“THAT**

- (a) subject to paragraph (b) below, the exercise by the directors (the **“Directors”**) of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase the shares (the **“Shares”**) in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the **“SFC”**) and the Stock Exchange for this purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange and all applicable laws and the requirements as amended from time to time in this regard, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of issued shares of the Company in 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 date of passing of this resolution until whichever is the earliest 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 other applicable law to be held; and
- (iii) the date of revocation or variation of such mandate granted by this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

7. “**THAT** conditional upon resolutions number 5 and 6 above being passed, the unconditional general mandate granted to the directors (the “**Directors**”) of the Company to allot, issue and deal with additional shares of the Company pursuant to resolution numbered 5 above be and it is hereby extended by the addition thereto of the number of shares of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 6 above, provided that such number of shares of the Company shall not exceed 10% of the total number of issued shares of the Company as at the date of the passing of this resolution.”

On behalf of the Board
Dato POH Po Lian
Chairman

Hong Kong, 12 June 2015

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Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business in Hong Kong
Unit 3503B-5, 35/F
148 Electric Road
North Point
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the above meeting (the “**Meeting**”) is entitled to appoint in written form one or, if he is the holder of two or more shares (the “**Shares**”) of the Company, more 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 instrument appointing a proxy must be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorized to sign the same, and must be delivered to the office of the Hong Kong share registrar and transfer office of the Company (the “**Hong Kong Share Registrar**”), Tricor Secretaries Limited at Level 22, Hopewell Centre 183 Queen’s Road East, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
3. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint holders of Share, any one of such joint holders may vote at the Meeting, either in person 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 Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.