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C Y FOUNDATION GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock code: 1182)

**EXTENSION OF DEADLINE UNDER THE AGREEMENT
FOR EXCLUSIVE RIGHT TO LICENSE AND DISTRIBUTE ONLINE GAME**

The Board announces that, on 31 March 2010, the Licensee and the Licensor entered into the Second Supplemental Agreement to extend the Deadline for obtaining all the necessary government approvals for the launch of the Game in the PRC from 17 March 2010 to 17 September 2010.

Reference is made to the announcement of C Y Foundation Group Limited (the “**Company**”) dated 30 December 2008 (the “**First Announcement**”) and the circular of the Company dated 19 January 2009 (the “**Circular**”) in relation to the Agreement which constitutes a discloseable transaction, and the announcement of the Company dated 1 April 2009 (the “**Second Announcement**”) in relation to the supplemental agreement dated 1 April 2009 (the “**First Supplemental Agreement**”) entered into among the Company, CYF Investments Limited as licensee (the “**Licensee**”) and YNK Korea Inc. as licensor (the “**Licensor**”). Capitalised terms used herein shall have the same meanings as those defined in the First Announcement, the Circular and the Second Announcement unless the context otherwise requires.

The Board announces that, on 31 March 2010, the Licensee and the Licensor entered into the second supplemental agreement (the “**Second Supplemental Agreement**”) pursuant to which, the Licensee and the Licensor agreed to extend the Deadline for obtaining all the necessary government approvals for the launch of the Game in the PRC from 17 March 2010 to 17 September 2010 and in the event that the Licensee request for a further extension of the Deadline for a period of more than six months from 17 September 2010, the Licensor shall have no obligation to refund the balance of the First Installment in the sum of US\$600,000 to the Licensee as referred to in the First Supplemental Agreement.

Save for the extension of the Deadline and save as disclosed herein, all other terms of the Agreement (as supplemented by the First Supplemental Agreement) shall remain unchanged.

The Directors consider that the entering into of the Second Supplemental Agreement is in the

interests of the Company and the Shareholders as a whole and the terms of the Second Supplemental Agreement are fair and reasonable.

By order of the Board
C Y Foundation Group Limited
WOELM Samuel
Executive Director

Hong Kong, 31 March 2010

As at the date hereof, the Board comprises Mr. CHENG Chee Tock Theodore (Chairman), Mr. WOELM Samuel, Mr. WU Chuang John, Mr. CAO Dongxin, Mr. HO Chi Chung Joseph, Mr. YU Ping, Mr. ZHANG Yiwei, Mr. TANG Ming, and Mr. HU Xichang as executive directors; Mr. WANG Shan Chuan, Mr. NG Pui Lung and Mr. FUNG Pui Cheung Eugene as independent non-executive directors.