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## **C Y FOUNDATION GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1182)**

### **TERMINATION OF THE PROPOSED OPEN OFFER**

Given that the conditions precedent under the Underwriting Agreement cannot be satisfied in whole, the Open Offer cannot proceed according to the terms of the Underwriting Agreement. In the circumstances, the Underwriting Agreement is terminated.

**Shareholders and other investors are advised to exercise caution when dealing in the Shares.**

Reference is made to the announcement (the “**Announcement**”) of the Company dated 15 August 2012 in relation to, among other matters, the proposed Open Offer. Unless otherwise stated, capitalised terms used herein shall have the same meanings as ascribed to them in the Announcement.

As disclosed in the Announcement, the Open Offer is conditional upon, among other matters, the holder of the Convertible Notes having given an irrevocable undertaking in favour of the Company and the Underwriter not to either convert part or the whole of the Convertible Notes before the Record Date. On 20 September 2012, the Company received a letter from the holder of the Convertible Notes that it shall not issue such undertaking to the Company. As all the conditions precedent of the Open Offer are incapable of being waived, the Open Offer cannot therefore proceed according to the terms of the Underwriting Agreement. In the circumstances, the Underwriting Agreement is terminated.

There will not be book closure from 21 September 2012 to 25 September 2012 as disclosed in the Announcement.

The Directors are negotiating with the Underwriter to explore if further fund raising can be arranged for the Company. In this regard, further announcement will be made by the Company as and when such fund raising exercise is materialised.

**Shareholders and other investors are advised to exercise caution when dealing in the Shares.**

By order of the Board  
**C Y Foundation Group Limited**  
**Sneah Kar Loon**  
*Chairman*

Hong Kong, 20 September 2012

*As at the date of this announcement, the executive Directors of the Company are Mr. SNEAH Kar Loon, Mr. SIK Siu Kwan and Mr. NG Kwok Lun, the independent non-executive Directors are Mr. LAI Hock Meng, Mr. BALAKRISHNAN Narayanan, Mr. YONG Peng Tak and Mr. IO Rudy Cheok Kei.*