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## **C Y FOUNDATION GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1182)**

### **INSIDE INFORMATION**

#### **LETTER OF INTENT IN RELATION TO POSSIBLE DISPOSAL**

This announcement is made by C Y Foundation Group Limited (the “**Company**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (each a “**Director**”) announces that the Company entered into a letter of intent (the “**LOI**”) with an independent third party (the “**Purchaser**”) dated 6 May 2013 (after trading hours) for the possible disposal of the entire issued share capital of Expert Global Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company (which together with its subsidiaries, the “**Disposed Group**”), at a consideration (the “**Consideration**”) of not less than RMB110 million (the “**Possible Disposal**”). The major assets of the Disposed Group are 22 office units on Level 16 of a 21-storey office building situated at No. 7 Jiaguo Mennei Dajie, Dongcheng District, Beijing, the People’s Republic of China (the “**Property**”).

It is intended that the Consideration shall be payable in cash by the Purchaser in the following manner:

- (a) RMB24 million shall be payable within 7 days after the signing of the LOI as refundable deposit (the “**Deposit**”);
- (b) RMB31 million shall be payable upon signing of the formal sale and purchase agreement (the “**SPA**”) for the Possible Disposal;
- (c) RMB50 million shall be payable upon completion of the SPA; and
- (d) the remaining RMB5 million shall be payable six months after the date of completion of the SPA or the successful change of the legal representatives of each members of the Disposal Group, whichever is earlier.

Pursuant to the LOI, the parties shall negotiate in good faith and enter into the SPA on or before 31 July 2013 (or such later date as the parties may agree), failing which the Company shall refund the Deposit (without interest) to the Purchaser.

The Possible Disposal, if materialized, will constitute a very substantial disposal on the part of the Company. The Company will comply with all the relevant requirements under the Listing Rules when the SPA is entered into by the Company.

**Save for those terms relating to the Deposit arrangement, confidentiality and other general provisions, the LOI is not legally binding on the parties thereto. As such, the parties have no legal obligation to enter into the SPA and the Possible Disposal may or may not materialize. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 6 May 2013

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