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C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

CONNECTED TRANSACTION

PURCHASE OF GAMING MACHINES

On 8 January 2014, CY Management, a wholly-owned subsidiary of the Company, entered into the Agreements with Weike Gaming Pte for the acquisition of the Gaming Machines at the total cash consideration of USD1,900,887 (equivalent to approximately HK\$14.83 million).

Weike Gaming Pte is wholly owned by Weike (S) Pte, which is a company controlled as to 95% by Dato Poh (who is the controlling shareholder of the Company), and is therefore a connected person of the Company as defined in the Listing Rules. Accordingly, the Agreements constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios as defined in the Listing Rules in respect of the Acquisition are more than 0.1% but less than 5%, the Acquisition is exempt from the independent shareholders' approval requirements under Rule 14A.48 of the Listing Rules and is only subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules.

PRINCIPAL TERMS OF THE AGREEMENTS

- Date:** 8 January 2014
- Parties:** Purchaser: CY Management, a wholly owned subsidiary of the Company.
- Seller: Weike Gaming Pte, a connected person of the Company. To the best knowledge, information and belief of the Directors after making necessary enquiry, Weike Gaming Pte is an approved supplier of gaming machines and other related equipment and system in Macau.
- Assets to be acquired: A total of 58 Gaming Machines, in which 34 Gaming Machines will be installed at Casino Grandview and 24 Gaming Machines will be installed at Casino Casa Real.
- Consideration: The total consideration is USD1,900,887 (equivalent to approximately HK\$14.83 million) payable in cash. The Board confirms that the consideration was determined after arm's length negotiations between the parties by reference to the market value of similar types of Gaming Machines. The consideration will be funded by the internal resources of the Group.
- Payment terms:
- (i) For the gaming machines in the total sum of USD959,450 and the spare parts of equipment in the sum of USD25,899: 90 days after delivery; and
 - (ii) For the software and systems in the sum of USD915,538: 30% deposit upon the date of Agreements; 30% before shipment; and the balance of 40% after activation of the Gaming Machines.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in manufacturing and sales of packaging products and the management of electronic gaming equipment in Macau.

As disclosed in the announcement of the Company dated 19 September 2013, the Group has entered into the supply and maintenance agreements to install and provide services to slot machines at Casino Casa Real and Casino Grandview in Macau. The Acquisition is in the ordinary course of the business of the Group to install the Gaming Machines at Casino Casa Real and Casino Grandview in Macau in order to generate income for the Group's gaming business and benefit the Group in terms of long-term investment. To the best knowledge, information and belief of the Directors after making necessary enquiry, Weike Gaming Pte, being an approved supplier of gaming machines and other related equipment and system in Macau, is the manufacturer of the Gaming Machines and thus no original purchase costs of the Gaming Machines to Weike Gaming Pte can be disclosed. Having said that, the Board understands that the consideration of the Gaming Machines is no less favorable than the prevailing market price which Weike Gaming Pte currently offers to other purchasers generally.

None of the Directors have a material interest in the Acquisition. The Directors (including all the independent non-executive Directors but excluding Mr. Sneah Kar Loon who was absent from the relevant Board meeting approving the Acquisition in view of his common directorship in the Company, CY Management, Weike Gaming Pte and Weike (S) Pte) are of the view that the terms of the Agreements are on normal commercial terms, fair and reasonable and the entering into the Agreements is in the interests of the Company and shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

Weike Gaming Pte is wholly owned by Weike (S) Pte, which is a company controlled as to 95% by Dato Poh (who is the controlling shareholder of the Company), and is therefore a connected person of the Company as defined in the Listing Rules. Accordingly, the Agreements constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios as defined in the Listing Rules in respect of the Acquisition are more than 0.1% but less than 5%, the Acquisition is exempt from the independent shareholders' approval requirements under Rule 14A.48 of the Listing Rules and is only subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Acquisition”	the acquisition of the Gaming Machines by the Group pursuant to the Agreements
“Agreements”	the five agreements entered into between Weike Gaming Pte and CY Management all dated 8 January 2014 for the sale and purchase of the Gaming Machines
“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 Main Board of the Stock Exchange (Stock Code: 1182)
“CY Management”	CY Management Limited, formally known as Weike (G) Management Macau Limited, a wholly-owned subsidiary of the Company with limited liability by quotas incorporated in Macau, being the purchaser of the Gaming Machines under the Agreements
“Dato Poh”	Dato Poh Po Lian, the controlling shareholder of the Company and thus a connected person within the meaning of the Listing Rules

“Director(s)”	the director(s) of the Company, including both executive and independent non-executive directors
“Gaming Machines”	slot and multi terminal machines and related software and systems to be acquired by the Group pursuant to the Agreements
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Weike Gaming Pte”	Weike Gaming Technology (S) Pte. Ltd., a company incorporated in the Singapore with limited liability whose entire issued share capital is owned by Weike (S) Pte, being the seller of the Gaming Machines under the Agreements
“Weike (S) Pte”	Weike (S) Pte Ltd, a company incorporated in the Singapore with limited liability, 95% of the issued share capital of which is owned by Dato Poh
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“USD” United State dollars, the lawful currency of United State

“%” per cent.

By Order of the Board
C Y Foundation Group Limited
Balakrishnan Narayanan
Director

Hong Kong, 8 January 2014

For the purpose of this announcement, conversion of US\$ into HK\$ is based on the exchange rate of US\$1 to HK\$7.8. The exchange rate has been used, where applicable, for the purposes of illustration only and does not constitute a representation that any amount is or may have been exchanged at this or any other rates or at all.

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