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C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

**EXTENSION OF THE TERM OF
THE MEMORANDUM OF UNDERSTANDING
IN RELATION TO THE PROPOSED ACQUISITION**

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 1 April 2014 (the “**Announcement**”) in relation to, among other things, the MOU in respect of the Proposed Acquisition. Capitalized terms used herein shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

By mutual agreement of the Seller and the Buyer dated 30 May 2014 and for the sake of providing more time to conduct the Due Diligence, the Term (expiry on 30 June 2014) of the MOU has been extended for a period of three months, up to and inclusive of 30 September 2014. Save as amended as aforesaid, all other terms and conditions of the MOU shall remain in full force and effect.

The Company will make further announcement(s) in respect of any material development of the Proposed Acquisition as and when appropriate.

The Board wishes to emphasize that the issue of this announcement does not in any way imply that the Proposed Acquisition will be completed. The MOU is still non-binding and the Proposed Acquisition will be subject to the fulfillment of certain conditions precedent to the Completion which may or may not proceed. Shareholders and potential investors are advised to exercise caution when making any decision related to dealing in the Shares.

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

Hong Kong, 30 May 2014

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.