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C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

TERMINATION OF THE AGREEMENT RESPECTING THE FIRST ACQUISITION AND LAPSE OF THE OFFER RESPECTING THE SECOND 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 announcements of the Company dated 14 March 2014 and 22 April 2014 respectively (the “**Announcements**”) in relation to, among other things, the Agreement in respect of the First acquisition and the Offer in respect of the Second Acquisition. Capitalized terms used herein shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

As stated in the Announcements, the Company had made the Offer to the Second Vendors in relation to the Second Acquisition subject to a date of acceptance not later than 22 June 2014.

Given that no acceptance to the Offer had been received by the Company on or before 22 June 2014 and that the First Acquisition and the Second Acquisition are inter-conditional, the Offer in respect of the Second Acquisition had lapsed and the Agreement in respect of the First Acquisition had been terminated.

The Directors consider that the termination of the Agreement and the lapse of the Offer have no material adverse impact on the business operation and financial position of the Company.

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

Hong Kong, 23 June 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.