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C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

ANNOUNCEMENT

The Board wishes to clarify that the grant of 11,500,000 Options to Mr. Sneah on 10 January 2014 and the grant of 5,800,000 Options to Mr. Sneah on 3 July 2014 shall both be approved by Shareholders at the SGM.

A circular containing, among other things, further details in respect of the grant of 11,500,000 Options to Mr. Sneah on 10 January 2014 and the grant of 5,800,000 Options to Mr. Sneah on 3 July 2014 together with a notice of SGM will be despatched to the Shareholders as soon as possible.

References are made to the announcements (the “**Announcements**”) of the Company dated 10 January 2014 and 3 July 2014 respectively in relation to the grant of share options to certain eligible participants of the Group pursuant to the share option scheme adopted by the Company on 28 September 2012. Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, a total of 17,300,000 share options (the “**Options**”) were granted to Mr. Sneah Kar Loon (“**Mr. Sneah**”) who is the Chairman of the Board and an executive Director, details of which are set out below:

Date of Grant	Number of Options Granted	Exercise price	Vesting Period (Validity Period)
10 January 2014	1,500,000	HK\$0.47 per Share	10 January 2014 to 9 January 2019 (both dates inclusive)
	10,000,000	HK\$0.47 per Share	2,000,000 Options during 1 December 2014 to 30 November 2019 (both dates inclusive); 2,000,000 Options during 1 December 2015 to 30 November 2020 (both dates inclusive); 2,000,000 Options during 1 December 2016 to 30 November 2021 (both dates inclusive); 2,000,000 Options during 1 December 2017 to 30 November 2022 (both dates inclusive); and 2,000,000 Options during 1 December 2018 to 30 November 2023 (both dates inclusive).

3 July 2014	800,000	HK\$0.415	3 July 2014 to 2 July 2019 (both dates inclusive)
	5,000,000	HK\$0.415	<p>1,000,000 Options during 1 July 2015 to 30 June 2020 (both dates inclusive);</p> <p>1,000,000 Options during 1 July 2016 to 30 June 2021 (both dates inclusive);</p> <p>1,000,000 Options during 1 July 2017 to 30 June 2022 (both dates inclusive);</p> <p>1,000,000 Options during 1 July 2018 to 30 June 2023 (both dates inclusive); and</p> <p>1,000,000 Options during 1 July 2019 to 30 June 2024 (both dates inclusive)</p> <p>Vesting of these 5,000,000 Options are conditional upon the achievement of certain performance targets set by the Company</p>

The Board wishes to clarify that since the total number of Shares issued and to be issued upon exercise of the Options granted to Mr. Sneah in the 12-month periods ending on both 10 January 2014 and 3 July 2014 have exceeded 1% of the Shares then in issue respectively, the grant of 11,500,000 Options to Mr. Sneah on 10 January 2014 and the grant of 5,800,000 Options to Mr. Sneah on 3 July 2014 shall both be approved by shareholders (the “**Shareholders**”) of the Company at a special general meeting (“**SGM**”) of the Company to be convened. As at the date of this announcement, none of the Options granted to Mr. Sneah on 10 January 2014 and 3 July 2014 have been exercised.

Accordingly, the SGM will be convened and held to approve the grant of 11,500,000 Options to Mr. Sneah on 10 January 2014 and the grant of 5,800,000 Options to Mr. Sneah on 3 July 2014. Mr. Sneah and his associates (as defined in the Listing Rules) shall abstain from voting at the SGM.

A circular containing, among other things, further details and terms in respect of the grant of 11,500,000 Options to Mr. Sneah on 10 January 2014 and the grant of 5,800,000 Options to Mr. Sneah on 3 July 2014 together with a notice of SGM will be despatched to the Shareholders as soon as possible.

By order of the Board
C Y Foundation Group Limited
BALAKRISHNAN Narayanan
Executive Director

Hong Kong, 14 July 2014

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