C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

PROFIT WARNING
AND
PROVISION OF RACING SYSTEM FOR GREYHOUND RACES IN VIETNAM

PROFIT WARNING

The Board wishes to inform shareholders of the Company and potential investors that based on a preliminary assessment of the latest available unaudited management accounts of the Group, the consolidated loss of the Group for the six months ended 30 September 2015 is expected to increase to a greater extent as compared to that of the corresponding period in 2014.

PROVISION OF RACING SYSTEM FOR GREYHOUND RACES IN VIETNAM

The Group has entered into an agreement with SES for the provision of Racing System for the use by SES for the purpose of conducting of its greyhound racing business in Vietnam for a fixed term of 10 years and renewable for a further term of 10 years.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

PROFIT WARNING

This announcement is made by C Y Foundation Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform shareholders of the Company ("**Shareholders**") and potential investors that, based on a preliminary assessment of the latest available unaudited management accounts of the Group, the consolidated loss of the Group for the six month ended 30 September 2015 (the **"Period"**) is expected to increase to a greater extent as compared to that of the corresponding period in 2014. The expected increase of loss was mainly attributable to:

(i) the deterioration in the performance of the business of the provision of services on management of electronic gaming equipment in Macau, which reflected the diminishing economic growth rate recorded in the People's Republic of China (the "**PRC**") and the negative impact of the tightened administrative measures on PRC visitors travelling to Macau initiated by the central government of China;

(ii) the decline in revenue and margin of the packaging business owning to keen competition on packaging market;

(iii) an indication of potential impairment losses on the goodwill in relation to the Group's electronic gaming business segment, which is subject to the further review by the Company and the finalization of impairment assessment by an independent professional valuer; and

(iv) additional recognition of share-based payments arising from share options granted to employees, directors and a consultant of the Company.

The Group is still in the process of finalizing its consolidated interim results for the Period. The information contained in this announcement is a preliminary assessment made by the Board based on the latest available unaudited financial information and such unaudited financial information has neither been confirmed nor reviewed by the Company's auditor and the Audit Committee. The interim results announcement of the Company for Period is expected to be released before the end of November 2015.

PROVISION OF RACING SYSTEM FOR GREYHOUND RACES IN VIETNAM

The Board is pleased to announce that the Group has entered into an agreement (the "**Agreement**") with Sports and Entertainment Services Joint Stock Company ("**SES**"), an independent third party, on 12 October 2015 for the provision of hardware and software (the "**Racing System**") for the use by SES for the purpose of conducting of its greyhound racing business in Vietnam.

The Agreement is for an initial fixed term of 10 years from the date of the Agreement and is renewable automatically for a further term of 10 years commencing from the day immediately after the expiry of the initial fixed term, unless terminated by either party by providing twelve months prior written notice to the other before the expiry of the initial fixed term.

Pursuant to the Agreement, a fee shall be payable by SES to the Group based on the number and type of equipment to be provided by the Group and shall be payable by SES to the Group on a half-yearly basis. Based on the requirement plan of the Racing System provided by SES, it is estimated that the fee receivable by the Group under the Agreement would be not less than USD 2,700,000 during the first twelve months of the Agreement.

SES is a foreign invested enterprise established in Vietnam which has been holding weekly greyhound races since 2000 at Lam Son Stadium in Ba Ria-Vung Tau Province in Vietnam, which is the only greyhound racing stadium in Vietnam and is widely recognized by the public and tourists in Vietnam.

The Directors consider that the Agreement would enable the Group to venture into a new business, to capture the business opportunities in the gaming industry in Vietnam and to broaden its income stream. The Directors also consider that the transactions contemplated under the Agreement are in the ordinary and usual course of business of the Group and the terms of the Agreement are on normal commercial terms which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
C Y Foundation Group Limited
Carlos Luis SALAS PORRAS
Chairman

Hong Kong, 13 October 2015

As at the date of this announcement, the executive Directors are Mr. Carlos Luis SALAS PORRAS and Mr. GOH Hoon Leum, the independent non-executive directors are Mr. YONG Peng Tak, Mr. ER Kwong Wah and Mr. LEUNG Po Hon.