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C Y FOUNDATION GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

**DISCLOSEABLE TRANSACTION
BROADCASTING SYSTEM PROCUREMENT AGREEMENT**

On 2 November 2015, in order for the Group to obtain the hardware and software required for the use by SES for its conducting of greyhound racing business in Vietnam, Expert Dragon entered into the Broadcasting System Procurement Agreement with Hyper Marketing for the procurement of the Racing Broadcasting System from Hyper Marketing.

As the relevant percentage ratio in respect of the Broadcasting System Procurement Agreement is more than 5% but less than 25%, the transaction contemplated under the Broadcasting System Procurement Agreement constituted discloseable transaction of the Company under Chapter 14 of the Listing Rules.

**BROADCASTING SYSTEM PROCUREMENT AGREEMENT DATED 2
NOVEMBER 2015**

Reference is made to the announcement of the Company dated 13 October 2015 in relation to, among others, the entering into of an agreement dated 12 October 2015 between the Group and SES for the provision of hardware and software by the Group for the use by SES for the purpose of conducting of its greyhound racing business in Vietnam.

On 2 November 2015, in order for the Group to obtain the hardware and software required for the use by SES for its conducting of greyhound racing business in Vietnam, Expert Dragon entered into the Broadcasting System Procurement Agreement with Hyper Marketing for the procurement of the Racing Broadcasting System from Hyper Marketing.

The Directors confirmed that, to the best of their knowledge, information and belief, having made all reasonable enquiry, Hyper Marketing and its ultimate beneficial owner(s) are third parties independent of the Group and its connected persons.

Provision of the Racing Broadcasting System and ancillary services

Under the Broadcasting System Procurement Agreement, Hyper Marketing shall, among others:

1. supply the Racing Broadcasting System to Expert Dragon free from any encumbrances;
2. deliver the Racing Broadcasting System on the Delivery Date at the Location; and
3. install the Racing Broadcasting System at the Location on the Installation Date.

Under the Broadcasting System Procurement Agreement, Hyper Marketing warrants that the Racing Broadcasting System will be free from defects in materials, workmanship and installation during the Warranty Period. If Hyper Marketing receives written notice from Expert Dragon of any breach of the said warranty regarding the Racing Broadcasting System, then Hyper Marketing shall at its own expense and within a reasonable time after receiving such notice, repair or, at its option, replace the Racing Broadcasting System or such parts of it as are defective or otherwise remedy such defect provided that Hyper Marketing shall have no liability or obligations under the said warranty unless it shall have received written notice of the defect in question no later than the expiry of the Warranty Period.

Price

Pursuant to the Broadcasting System Procurement Agreement, in consideration for the provision of the Racing Broadcasting System and the ancillary installation services by Hyper Marketing, the Price of US\$3,049,200 (equivalent to approximately HK\$23,631,300) shall be payable by Expert Dragon in the following manner:

- (i) 70% of which, being US\$2,134,440 (equivalent to approximately HK\$16,541,910), shall be payable upon signing of the Broadcasting System Procurement Agreement;
- (ii) 10% of which, being US\$304,920 (equivalent to approximately HK\$2,363,130), shall be payable on the Delivery Date;

- (iii) 10% of which, being US\$304,920 (equivalent to approximately HK\$2,363,130), shall be payable after the Hardware is delivered to the Location and written notice given by Expert Dragon to Hyper Marketing confirming that the Hardware so delivered is to the satisfaction of Expert Dragon after its inspection; and
- (iv) 10% of which, being US\$304,920 (equivalent to approximately HK\$2,363,130), shall be payable on the Final Acceptance Date.

The Price was determined based on arm's length negotiation between the parties with reference to market price of the Hardware and the specifications and requirements of the Software.

Information on the Group and Hyper Marketing

The Group is principally engaged in the provision of services on management of electronic gaming equipment in Macau and the manufacturing of packaging products for luxury goods in the PRC.

Hyper Marketing is a software development company established in Mauritius which is principally engaged in the sourcing and manufacture of computerised equipment and customised computerised equipment including computerised equipment for electronic gaming machines.

Reasons for and benefits of entering into the Broadcasting System Procurement Agreement

The Broadcasting System Procurement Agreement would enable the Group to procure the hardware and software required for its provision of certain hardware and software for the use by SES for its conducting of greyhound racing business in Vietnam, which would in turn allow the Group to enter into a new business and to broaden its income stream.

The Directors (including the independent non-executive Directors) believe that the terms of the Broadcasting System Procurement Agreement are fair and reasonable and are in the interests of the Group and Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the relevant percentage ratio in respect of the Broadcasting System Procurement Agreement is more than 5% but less than 25%, the transaction contemplated under the Broadcasting System Procurement Agreement constituted discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	board of Directors
“Broadcasting System Procurement Agreement”	an agreement dated 2 November 2015 entered into between Expert Dragon and Hyper Marketing for the Group’s procurement of the Racing Broadcasting System from Hyper Marketing
“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
“Delivery Date”	the date of delivery of the Racing Broadcasting System, as specified by Expert Dragon in writing in accordance with the terms and conditions of the Broadcasting System Procurement Agreement
“Directors”	directors of the Company
“Expert Dragon”	Expert Dragon Limited, a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Final Acceptance Date”	the date on which Expert Dragon delivers a notice to Hyper Marketing confirming that the Racing Broadcasting System so installed is to the satisfaction of Expert Dragon
“Group”	the Company and its subsidiaries

“Hardware”	the equipment as specified in the Broadcasting System Procurement Agreement, and any replacement equipment and/or parts to be provided by Hyper Marketing, which is required for the operation of the Racing Broadcasting System
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hyper Marketing”	Hyper Marketing International Limited, an independent third party
“Installation Date”	the date of installation of the Racing Broadcasting System, as specified by Expert Dragon in writing in accordance with the terms and conditions of the Broadcasting System Procurement Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Location”	the premises in which the Racing Broadcasting System is installed
“Price”	US\$3,049,200 (equivalent to approximately HK\$23,631,300), being the price for the Racing Broadcasting System and the services to be provided pursuant to the Broadcasting System Procurement Agreement
“Racing Broadcasting System”	collectively, the Hardware and the Software
“SES”	Sports and Entertainment Services Joint Stock Company
“Shareholders”	shareholders of the Company
“Software”	the software to be installed in the Hardware
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vietnam”	the Socialist Republic of Vietnam
“Warranty Period”	a period of twelve months after the Final Acceptance Date
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For the purpose of this announcement, the exchange rate of US\$1.00 = HK\$7.75 has been used for currency conversions. This is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ and US\$ have been, could have been or may be converted at such rate or any other exchange rate.

By order of the Board
C Y Foundation Group Limited
Carlos Luis Salas Porras
Chairman and executive Director

Hong Kong, 2 November 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.