

12 November 2015

Ms Shannon Hong
Senior Advisor, Listings Compliance
Australian Securities Exchange, Sydney

Dear Shannon

RE: UPDATE ON PLACEMENT OF SECURITIES TO JCHX GROUP

On 22 October 2015, CYU announced to the ASX details of the proposed strategic co-operation agreement with the Beijing-based JCHX Group ("JCHX"). As part of the proposed co-operation, JCHX is to provide a total of A\$4.5M of funding to CYU and in turn, be issued ordinary CYU shares and convertible bonds.

It was proposed to complete this funding arrangement on or about 31 October 2015, subject to CYU securing the requisite internal Chinese approvals to enable the further issue of ordinary shares and convertible bonds to proceed. At this stage however, these internal approvals have not been obtained nor can CYU be certain as to when they are likely to be forthcoming.

As a result, JCHX has exercised its right to seek to re-negotiate the terms on which the A\$4.5M of funding will be provided to CYU. JCHX has given a clear indication to CYU management that it still wishes to provide the funding (and for Mr Wang Xiancheng to join the CYU Board), but has also made it clear that with some recent volatility in the CYU share price, JCHX would like to re-negotiate the funding terms. These discussions are continuing, while further clarity around the internal Chinese approvals is being sought by CYU.

As soon as final details of the CYU internal approvals and the revised terms of the JCHX placement are known, CYU will advise the ASX immediately.

Yours sincerely



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