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**CHAOYUE GROUP LIMITED**  
**超越集團有限公司**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock code: 00147)**

**VERY SUBSTANTIAL ACQUISITION  
AND  
RESUMPTION OF TRADING**

**THE ACQUISITION**

The Board announces that on 15 September 2009, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the entire equity interests in the Target Company held by the Vendor at a total consideration of not less than US\$160,000,000 (approximately HK\$1,248,000,000) assuming the Purchaser will acquire 51% attributable interest in Blue Ridge upon Completion and not more than US\$188,235,294 (approximately HK\$1,468,235,293) assuming the Purchaser will acquire 60% attributable interest in Blue Ridge upon Completion.

It is intended that the Target Company will acquire not less than 51% and not more than 60% of the interest of Blue Ridge upon completion of the Reorganisation. Blue Ridge is the sole legal and beneficial owner of the Mine.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more than 100%, the Acquisition constitutes a very substantial acquisition on the part of the Company under Chapter 14 of the Listing Rules. A circular containing, among others, (i) further information on the Acquisition; (ii) a technical report on the Mine; (iii) a notice of the SGM to be convened to consider and, if thought fit, to approve the Acquisition; and (iv) other information required under the Listing Rules will be despatched to the Shareholders as soon as practicable.

**RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30a.m. on 16 September 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 23 September 2009.

**As the Acquisition may or may not materialize, Shareholders and public investors are reminded to exercise caution when dealing with the securities of the Company. The Company will make further announcement as and when required by the Listing Rules.**

## **THE AGREEMENT**

**Date:** 15 September 2009

### **Parties**

- (1) Ms. Leung, as the vendor; and
- (2) Longday International Limited, as the purchaser.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, so far as the Directors are aware, the Vendor is an Independent Third Party.

### **Assets to be acquired**

Pursuant to the Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the entire equity interests in the Target Company held by the Vendor.

Upon Completion, the Company will be interested in the entire equity interests in the Target Company. Accordingly, the Target Company will become a wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the consolidated financial statements of the Group.

### **Consideration**

The Consideration is such amount being not less than US\$160,000,000 (approximately HK\$1,248,000,000) assuming the Purchaser will acquire 51% attributable interest in Blue Ridge upon Completion and not more than US\$188,235,294 (approximately HK\$1,468,235,293) assuming the Purchaser will acquire 60% attributable interest in Blue Ridge upon Completion (subject to adjustment) which shall be paid by the Purchaser to the Vendor on the Completion Date in cash.

The Consideration was determined after arm's length negotiations between the Vendor and the Company with reference to, among other factors, the resources, the financial position, the existing production capacity and expansion plan, the operating cost structure and the remaining mining life of the Mine and the outlook for platinum price. The Consideration has also taken into account the capitalisation of resources multiples (enterprise value to measured, indicated and inferred resources) for comparable international platinum producers.

The Directors (including the independent non-executive Directors) are of the view that the consideration for the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Conditions precedent**

Completion shall be conditional upon the fulfilment (or waiver, as the case may be) of the following conditions:

- (i) the Company obtaining the approval of its Shareholders in relation to the entering into of the Agreement and the carrying out of the transactions contemplated therein pursuant to the requirements of the Listing Rules;
- (ii) satisfactory completion of the due diligence review by the Purchaser;
- (iii) the warranties given by the Vendor in the Agreement remaining true and accurate in all respects and not misleading in any respect;
- (iv) all other requisite consents, authorizations and approvals (or, as the case may be, the relevant waiver) in connection with the entering into and performance of the terms of the Agreement having been obtained by the respective parties;
- (v) evidence satisfactory to the Purchaser evidencing that the Target Company has completed the Reorganisation;
- (vi) the Purchaser having received the Technical Report in such form and substance to the satisfaction of the Purchaser; and
- (vii) the Company having carried out and completed fund raising to its satisfaction by virtue of its having entered into the Agreement in relation to the proposed Acquisition.

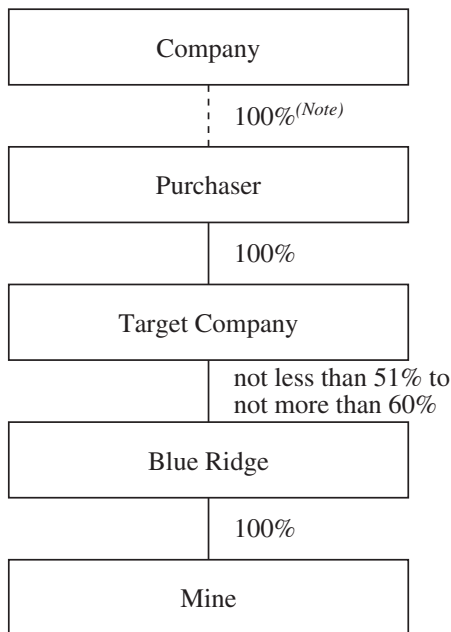
The abovementioned conditions may be waived by the Purchaser save for the conditions set out in paragraphs (i) and (v) above. If any of the abovementioned conditions is not fulfilled by the Vendor or waived by the Company on or before the Long Stop Date, the Company may terminate the Agreement by notice in writing to the Vendor. Upon such termination, all obligations of the Company and the Vendor under the Agreement shall terminate save as otherwise provided in the Agreement.

## **Completion**

Completion of the Agreement shall take place on the Completion Date.

## SHAREHOLDING STRUCTURE

Immediately after Reorganisation and upon Completion, the simplified shareholding structure of the Target Company will be as follows:



*Note:* ----- denotes indirect shareholding.

## REASONS FOR ENTERING INTO THE AGREEMENT

The principal activities of the Group are (i) the leasing of direct drinking water purification machines; (ii) the manufacturing and sales of air purification and water purification equipments; and (iii) the construction and installation of air purification and sewage treatment system in the PRC.

In order to diversify the businesses of the Group, the Company has been actively seeking for investment opportunities. In view of the increase in demand of natural resources and the increase in the prices of precious metals over the past years, the Directors are optimistic about the future prospects of precious metal. The Directors therefore believe that the Acquisition provides an opportunity for the Group to enhance investment returns for the Group.

The Acquisition does not constitute nor is part of a transaction or arrangement or series of transactions or arrangements which constitute, an attempt to achieve a listing of the assets to be acquired and a means to circumvent the requirements for new applicants set out in Chapter 8 of the Listing Rules. However, the Directors will continue to seek for investment opportunities which may enhance investment returns to the Group and appropriate announcements will be made by the Company should such opportunities arise in compliance with the Listing Rules.

Having considered all relevant factors, the Directors (including the independent non-executive Directors) consider that the terms of the Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## INFORMATION ON THE TARGET COMPANY, BLUE RIDGE AND THE MINE

### The Target Company

The Target Company is a company incorporated in the British Virgin Islands on 8 August 2008 and has not been engaged in active business operations since its incorporation. The management accounts of the Target Company as at 31 December 2008 shows that the Target Company had a net asset value of approximately HK\$7.8 and that the Target Company had no material assets and/or liabilities as at 31 December 2008. It is intended that the Target Company will acquire not less than 51% and not more than 60% of the interest of Blue Ridge prior to Completion.

### Blue Ridge and the Mine

Blue Ridge is held as to 50% by Imbani Platinum SPV (Pty) Ltd which is ultimately owned by Imbani Holdings (Pty) Limited, and as to 50% by Aquarius Platinum Limited, a company listed in Australia, the United Kingdom and the Republic of South Africa. Blue Ridge is the sole legal and beneficial owner of the Mine.

### The Mine

The Mine is situated on the Blaauwbank Farm, approximately 30 kilometers southeast of Groblersdal, on the eastern limb of the Bushveld Complex, the Republic of South Africa. The mineral resource estimate in the Mine is 9,200,000 ounces PGE (4E). The forecast annual production is approximately 124,500 ounces PGE (4E) (149,000 ounces PGE (6E)) per annum over an 18 year period. Development of the Mine commenced in January 2007 and the first concentrate was shipped in early April 2009.

The following table sets out the financial information extracted from the management accounts of Blue Ridge as of 31 December 2007 and 2008:

	Year ended 31 December	
	2007	2008
	HK\$'000	HK\$'000
	(Note 1)	(Note 2)
Revenue	Nil	Nil
Profit before tax	Nil	534,677
Profit after tax	Nil	382,203
	As at 31 December	
	2007	2008
	HK\$'000	HK\$'000
	(Note 1)	(Note 2)
Net asset value	775,200	1,218,603

#### Notes:

1. Exchange rate for 2007: HK\$1 = Zar 1.14
2. Exchange rate for 2008: HK\$1 = Zar 0.82

In 2008, Blue Ridge entered into a series of metal hedging arrangements to sell forward specified quantities of platinum, palladium and rhodium. The profit of Blue Ridge for the year ended 31 December 2008 was mainly attributable to the change in fair value of such financial assets and Blue Ridge was not engaged in any active business operations for the year ended 31 December 2007.

## **GENERAL**

The Directors (including the independent non-executive Directors) consider that the terms of the Agreement and the transactions contemplated therein are on normal commercial terms and were negotiated on an arm's length basis between the parties involved and are fair and reasonable so far as the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more than 100%, the Acquisition constitutes a very substantial acquisition on the part of the Company under Chapter 14 of the Listing Rules. A circular containing, among others, (i) further information on the Acquisition; (ii) a technical report on the Mine; (iii) a notice of the SGM to be convened to consider and, if thought fit, to approve the Acquisition; and (iv) other information required under the Listing Rules will be despatched to the Shareholders as soon as practicable.

## **RESUMPTION OF TRADING**

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## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expression shall have the following means ascribed to them respectively:

“Acquisition”	the acquisition by the Purchaser of the entire equity interests of the Target Company pursuant to the terms of the Agreement;
“Agreement”	the agreement dated 15 September 2009 entered into between the Purchaser and the Vendor in relation to the Acquisition;
“associate”	has the meaning ascribed to it in the Listing Rules;
“Blue Ridge”	Blue Ridge Platinum (Proprietary) Limited, a company incorporated in the Republic of South Africa, and is the sole legal and beneficial owner of the Mine;
“Board”	the board of Directors;
“Business Day”	any day (other than a Saturday or a Sunday) on which banks in Hong Kong are open for business;

“Company”	Chaoyue Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“Completion”	completion of the sale and purchase of the entire equity in interests of the Target Company in accordance with the terms and conditions of the Agreement;
“Completion Date”	date of Completion;
“connected person”	has the meaning ascribed thereto in the Listing Rules;
“Consideration”	consideration for the Acquisition as set out in the Agreement;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	means 30 June 2010 or such later date as may be agreed by the Purchaser in writing;
“Mine”	the Blue Ridge Mine, a mine legally and beneficially owned by Blue Ridge and the details of which are provided in the paragraph headed “Mine” in this announcement;
“Ms. Leung” or “Vendor”	Ms. Leung Chui Nam, the legal and beneficial owner of the entire interest in the Target Company;
“PGE (4E)”	Platinum Group Elements comprising platinum (Pt), palladium (Pd), rhodium (Rh) and gold (Au);
“PGE (6E)”	Platinum Group Elements comprising platinum (Pt), palladium (Pd), rhodium (Rh), ruthenium (Ru), osmium (Os) and iridium (Ir);
“PRC”	the People’s Republic of China;
“Purchaser”	Longday International Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company;

“Reorganisation”	the acquisition by the Target Company of not less than 51% and not more than 60% interest in Blue Ridge;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	holders of the Shares;
“sq. km.”	square kilometre;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Earnrich Group Limited, a limited liability company incorporated in the British Virgin Islands;
“Technical Report”	means the technical report to be issued by an independent technical advisor appointed by the Purchaser, in relation to a technical analysis of such aspects of the Mine as may be required by the Purchaser;
“US\$”	United States dollar, the lawful currency of the United States;
“ZAR”	South Africa Rand, the lawful currency of the Republic of South Africa; and
“%”	per cent.

*Note:* Pursuant to the Agreement, the exchange rate of US\$1 = HK\$7.8 has been used for currency translation, where applicable. Such exchange rates are for illustration purposes and do not constitute representation that any amount in US\$ or HK\$ have been or may be converted in such rates.

By order of the Board  
**Chaoyue Group Limited**  
**Yuen Leong**  
*Executive Director*

Hong Kong, 22 September 2009

*As at the date of this announcement, the Board comprises Mr. Yuen Leong and Ms. Luan Li as executive Directors; and Dr. Lam Man Kit, Dominic, Mr. Yap Yung and Mr. Zhang Guang Sheng as independent non-executive Directors.*