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## **CHAOYUE GROUP LIMITED**

### **超越集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 147)**

## **MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF 70% EQUITY INTEREST IN SUBSIDIARIES**

### **THE DISPOSAL AGREEMENT**

The Board is pleased to announce that after trading hours of the Stock Exchange on 6 January 2012, the Vendor (an indirect non-wholly-owned subsidiary of the Company), the Purchaser and the Company (as the Vendor's guarantor) entered into the Disposal Agreement pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing 70% of the issued share capital of each of Acme and Fastmind, for a consideration of US\$21.0 million (equivalent to approximately HK\$163.4 million) (subject to downward adjustment).

### **LISTING RULES IMPLICATIONS**

The Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the Shareholders. To the best of the Directors' knowledge, no Shareholder has a material interest in the Disposal which is different from other Shareholders and thus no Shareholder is required to abstain from voting at a general meeting to approve the Disposal. Long Grand Limited, which is beneficially interested in 12,887,473,880 Shares (representing approximately 68.46% of the issued share capital of the Company as at the date of this announcement), has undertaken to give a written consent to the Disposal and thus no Shareholders' meeting will be held to approve the Disposal pursuant to Rule 14.44 of the Listing Rules.

A circular containing details of the Disposal Agreement, financial information of the Group and other information required under the Listing Rules will be despatched to the Shareholders on or before 1 February 2012.

The Board is pleased to announce that after trading hours of the Stock Exchange on 6 January 2012, the Vendor (an indirect non-wholly-owned subsidiary of the Company), the Purchaser and the Company (as the Vendor's guarantor) entered into the Disposal Agreement pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing 70% of the issued share capital of Acme and Fastmind, for a consideration of US\$21.0 million (equivalent to approximately HK\$163.4 million) (subject to downward adjustment). Set out below are the principal terms of the Disposal Agreement.

## THE DISPOSAL AGREEMENT

**Date:** 6 January 2012

**Parties:**

- (a) Vendor: Eagle Mountain Holdings Limited, an indirect 90%-owned subsidiary of the Company;
- (b) Purchaser: China National Gold Group Corporation; and
- (c) Vendor's guarantor: the Company, being the guarantor of the Vendor to guarantee the performance of the contractual obligations, and representations and warranties of the Vendor under the Disposal Agreement.

The Vendor is a company incorporated in the BVI on 1 July 2009 and has not been engaged in any business operations since its incorporation except for its holding of the entire interest in Fastmind and Acme respectively.

The Purchaser is a large-scale comprehensive mining corporation principally engaged in geological prospecting, mine exploitation, mineral processing and smelting, product refining, marketing, scientific research, engineering design and construction with its subsidiaries listed in the PRC and dually listed in Toronto and Hong Kong. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons and are not connected persons of the Company.

**Assets to be disposed of:**

The assets to be disposed of under the Disposal Agreement are the Sale Shares, being 70% of the issued shares of each of Acme and Fastmind on the Closing Date. The Sale Shares shall be acquired by the Purchaser together with all rights, title and interest attached thereto as of the Closing Date free of encumbrances.

**Consideration:**

The aggregate consideration for the Sale Shares of US\$21.0 million (equivalent to approximately HK\$163.4 million) (subject to downward adjustment), of which US\$20,790,000 (equivalent to approximately HK\$161.7 million) is attributable to 70% equity interest in Fastmind and US\$210,000 (equivalent to approximately HK\$1.6 million) is attributable to 70% equity interest in Acme, shall be paid by the Purchaser in the following manner:

*Stage 1: Consideration deposited in RMB by the Purchaser into the Jointly Controlled Account*

- (a) an initial payment of US\$10.0 million (equivalent to approximately HK\$77.8 million) shall be payable by the Purchaser to the Jointly Controlled Account within 7 Business Days (i) from opening of the Jointly Controlled Account (which in any event shall be opened within fifteen (15) Business Days from the date of the Disposal Agreement); and (ii) after the representative appointed by the Purchaser is positioned in Kichi-Chaarat; and

- (b) a second payment of US\$11.0 million (equivalent to approximately HK\$85.6 million) shall be payable by the Purchaser to Jointly Controlled Account within 7 Business Days after (i) the Shareholders' meeting adopts a resolution approving the Disposal Agreement (or a written Shareholders' approval for the Disposal Agreement and the transactions contemplated thereunder is accepted by the Stock Exchange in lieu of holding a Shareholder's meeting); and (ii) the president of Kichi-Chaarat, who signed the license agreement attached to the Mining License, is duly changed to the person designated by the Purchaser and all relevant administrative procedures regarding such change have been completed in accordance with the laws of the Kyrgyz Republic.

*Stage 2: Consideration released from Jointly Controlled Account to the Vendor*

- (a) US\$18.0 million (equivalent to approximately HK\$140.0 million) shall be released from the Jointly Controlled Account to the Vendor within two (2) Business Days immediately after the transfer documents of the Sale Shares are duly stamped by the Stamp Office of the Inland Revenue Department in Hong Kong after the Closing Date; and
- (b) the remaining amount of US\$3.0 million (equivalent to approximately HK\$23.3 million) (the "Final Payment") in the Jointly Controlled Account, after deducting all the debts and liabilities of the Fastmind Group and Acme (exclusive of the shareholders' loans advanced by Vendor to Fastmind and Acme) up to the Closing Date as stated in the Closing Accounts and the license agreement #13 under the Mining License has been signed by the new president of Kichi-Chaarat (unless otherwise waived by the Purchaser), shall be released from the Jointly Controlled Account to the Vendor.

Any extra cost arising from the signing of the license agreement #13 shall be borne by the Vendor. In the event that the debts and liabilities of the Fastmind Group and Acme as at the Closing Date exceed the amount of the Final Payment, the Vendor shall pay the shortfall and the amount deducted from the Final Payment should be applied by the Purchaser to settle all the outstanding balances of debts and liabilities of the Fastmind Group and Acme. In the event that the Closing Accounts are not issued after three (3) months after the Closing Date, the Final Payment shall be released to the Vendor without any deduction. In the event that the Purchaser cannot complete the foreign exchange conversion procedures as required under the PRC laws, the Purchaser shall pay the Vendor the Consideration in RMB within three (3) Business Days from the end of three (3) months from the date of payment of US\$18 million or the Final Payment (as the case may be). Any shortfall arising from an appreciation of RMB against US\$ on the date of release of such payment shall be reimbursed and paid by the Vendor.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser after taking into account, among other things, the resources, the financial position, the operating cost structure and the mining life of the Mine. The Directors consider that the Consideration is fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

## **Conditions precedent:**

Closing of the Disposal Agreement is conditional upon fulfilment or waiver (as the case may be) of the following conditions before the first anniversary of the date of the Disposal Agreement:

- (a) the representations and warranties of the Purchaser contained in the Disposal Agreement are true and correct in all material respects as of the Closing, with the same force and effect as if made as of the Closing, and the Vendor shall have received a certificate of the Purchaser to such effect signed by a duly authorized officer thereof;
- (b) the Purchaser have delivered to the Vendor a true copy, certified by a director or the company secretary or assistant secretary or an equivalent officer of the Purchaser, of the resolutions duly and validly adopted by the board of directors of the Purchaser evidencing its authorization of the execution and delivery of the Disposal Agreement and the consummation of the transactions contemplated thereby;
- (c) the Purchaser has opened the Jointly Controlled Account;
- (d) all necessary approval, consents, permission, registration and filings from all competent government departments, authorities or agencies and/or registries in the PRC in relation to the transaction contemplated under the Disposal Agreement have been obtained to the satisfaction of the Vendor;
- (e) the Purchaser has given the Vendor two cashier's orders or cheques on the Closing Date amounting to 0.1% of the Consideration, both payable to "The Government of the HKSAR" for the Purchaser's portion of the stamp duty and the Vendor has delivered the said cashier's orders or cheques to the Stamp Office of the Inland Revenue Department on behalf of the Purchaser;
- (f) the representations and warranties of the Vendor and the Company contained in the Disposal Agreement are true, correct and complete in all material respects as of the date of the Disposal Agreement;
- (g) the covenants and agreements contained in the Disposal Agreement to be complied with by the Vendor and the Company on or before Closing have been complied with in all material respects, and the Purchaser has received a certificate from the Vendor and the Company to such effect signed by a duly authorized officer of the Vendor and the Company;
- (h) no action has been commenced or threatened as of the Closing Date by or before any governmental authority or non-governmental authority against the Vendor, or either of the Fastmind Group or Acme seeking to restrain or materially adversely alter the transactions contemplated under the Disposal Agreement which, in the reasonable, good faith determination of the Purchaser, is likely to render it impossible or unlawful to consummate such transactions contemplated under the Disposal Agreement or which could reasonably be expected to have a material adverse effect as specified under the Disposal Agreement;

- (i) the Vendor has delivered to the Purchaser a true copy, certified by a director or company secretary, of board resolution duly and validly made by the Vendor's directors and the Company shall have delivered to the Purchaser a true copy, certified by a director or company secretary, of resolution duly and validly adopted by its shareholders' meeting (or written resolutions, if such written shareholders' resolutions of the Company is accepted by the Stock Exchange) evidencing the Vendor's and the Company's authorization of the execution and performance of the Disposal Agreement and the consummation of the transactions contemplated therein;
- (j) Kichi-Chaarat has provided the Purchaser with the original copies of the license agreements #13 attached to the Mining License and license agreement #3 attached to the Exploration License;
- (k) all such necessary approval, consents, permission, registration and filings from all competent government departments, authorities or agencies and/or registries in Kyrgyz Republic, Hong Kong, BVI and PRC (if applicable) in relation to the transaction contemplated under the Disposal Agreement have been obtained to the satisfaction of the Purchaser;
- (l) the board of Kichi-Chaarat has, within five (5) Business Days of execution of the Disposal Agreement, has made a resolution appointing a representative designated by the Purchaser to co-manage Kichi-Chaarat's day-to-day operations and financial matters with Kichi-Chaarat's incumbent management;
- (m) the president of Kichi-Chaarat has been changed to the person appointed by the Purchaser and all the procedures required under any applicable laws, regulations, decrees or codes in respect of change of the president of Kichi-Chaarat have been concluded;
- (n) the completion of the allotment and issuance of 99 shares of Fastmind to the Vendor by Fastmind;
- (o) the completion of the allotment and issuance of 99 shares of Acme to the Vendor by Acme; and
- (p) the circular in relation to the Disposal Agreement and transactions contemplated thereunder has been cleared by the Stock Exchange.

The Vendor may, at its absolute discretion, waive conditions (a) to (e) by notice in writing to the Purchaser. The Purchaser may, at its absolute discretion, waive conditions (f) to (p) by notice in writing to the Vendor.

## **Termination:**

The Disposal Agreement may be terminated at any time prior to the Closing in the following manner:

- (a) either the Vendor or the Purchaser shall be entitled to elect not to complete the Disposal and, accordingly, to terminate the Disposal Agreement on or before the Closing Date: (i) either the Purchaser and the Vendor becomes aware that one or more of the representations or warranties of the other party to the Disposal Agreement is or are untrue, incorrect or misleading as of the date given in any material respect; (ii) there is a breach of any agreement, covenant or obligation of the other party under the Disposal Agreement and the other party has failed to cure such breach within 30 day period of receiving written notice thereof or such breach is not remediable; or (iii) any action shall have been commenced or threatened by or before any government authorities against either Acme, Fastmind, Tun Lin or Kichi-Chaarat, the Vendor or the Purchaser, seeking to restrain the transactions contemplated under the Disposal Agreement which, in its reasonable, good faith determination, is likely to render it impossible or unlawful to consummate such transactions provided that this clause shall not apply if the parties to the Disposal Agreement seeking termination has directly or indirectly solicited or encouraged any such action; or (iv) the other party is unable to fulfil the aforesaid condition precedents within twelve (12) months from the date of the Disposal Agreement;
- (b) the Vendor and the Purchaser may terminate the Disposal Agreement at any time by mutual written consent;
- (c) in case the Vendor signs any legally binding agreement with or enters into any legally binding arrangement with any other party in respect of selling or transferring any shares or assets of Acme, Fastmind, Tun Lin or Kichi-Chaarat or rights regarding prospecting or exploring or developing the Mine thereunder during the transitional period from the date of the Disposal Agreement to the Closing Date, the Disposal Agreement shall be terminated by the Purchaser unilaterally by serving a written termination notice to the Vendor and the Vendor shall compensate the Purchaser for an amount of US\$5,000,000 for its breach of the Disposal Agreement;
- (d) in the event that the Purchaser decides not to consummate Disposal during the transitional period from the date of the Disposal Agreement to the Closing Date, except for a reason that there is any incompliance of Acme, Fastmind, Tun Lin or Kichi-Chaarat or their assets with any relevant laws, regulations, decrees or codes or there is any changes of investment environment, relevant laws, regulations, decrees or codes which causes the Purchaser to reverse its investment decision, the Vendor shall have the right to unilaterally terminate the Disposal Agreement by serving a written termination notice to the Purchaser and the Purchaser shall compensate the Vendor for an amount of US\$5,000,000 for its breach of the Disposal Agreement; or
- (e) the Vendor shall have a right to terminate the Disposal Agreement in the event that the Purchaser changes the signing arrangement of the Jointly Controlled Account without the prior written approval from the Vendor or create any encumbrance on the Jointly Controlled Account and the Purchaser shall compensate the Vendor for an amount of US\$5,000,000 in this regard.

In the event that the Disposal Agreement is terminated according to the above, the Disposal Agreement shall forthwith become null and void and there shall be no liability on the part of either party except (a) the obligations of the Vendor and the Purchaser to obtain all required approvals and consents of and effect filings for the Disposal; and (b) the obligations of the Vendor to (i) notify the Purchaser in writing as soon as practicable after becoming aware of any representations and warranties of the Vendor becoming untrue or inaccurate in any material respect as at the Closing Date; and (ii) make any relevant investigation which the Purchaser may reasonable require.

### **Closing:**

Closing shall take place within five (5) Business Days of the fulfilment or waiver (as the case may be) of all the conditions set out above.

Upon Closing, the Vendor will hold a 30% equity interest in each of Acme and the Fastmind Group and will enter into a shareholders' agreement with the Purchaser in connection with the operations and management of Acme and the Fastmind Group. Upon Closing, the Purchaser is entitled to nominate two directors to the board of each of the Fastmind Group and Acme, and appoint the chairman of the board of directors and the general manager whilst the Vendor is entitled to nominate one director to the board and appoint the deputy general manager to exercise supervision right.

Upon Closing, Acme and Fastmind will cease to be subsidiaries of the Company and become associated companies of the Company. Accordingly, the Group will equity account for the financial results of Fastmind and Acme after Closing.

### **INFORMATION ON ACME AND FASTMIND GROUP**

Fastmind and Acme are both limited liability companies incorporated in Hong Kong and wholly-owned subsidiaries of the Vendor. Fastmind and Acme hold 99% and 1% interest in Tun Lin respectively. Tun Lin is a company organized under the laws of the Kyrgyz Republic, and holds 100% interest in Kichi-Chaarat. Kichi-Chaarat is also a company incorporated in the Kyrgyz Republic and is the holder of the exploration license and mining license for the Mine.

The Mine is located in the Chatkal region of Jala-Abad Provinces, Southwest of Kyrgyz Republic with estimated mineral resources of approximately 97.0 tonnes of gold and approximately 1.0 million tonnes of copper. The Exploration License and Mining License had been issued by the relevant authorities of Kyrgyzstan's Government with an exploration period to 31 December 2014 and a mining period to 31 December 2021 respectively. The mining work is yet to commence but the Company has engaged professional parties to conduct a feasibility study and such study is still in the process as at the date of this announcement. No revenue has been generated from the Mine up to the date of this announcement.

Set out below are the financial information extracted from (i) the audited consolidated financial statements of the Fastmind Group for the period from 9 September 2009 (date of incorporation of Fastmind) to 31 March 2010; (ii) the audited consolidated financial statements of the Fastmind Group for the year ended 31 March 2011; and (iii) the unaudited consolidated management accounts of the Fastmind Group for the period from 1 April 2011 to 30 September 2011:

***Fastmind Group***

	<b>For the period from 9 September 2009 (date of incorporation) to 31 March 2010</b>	<b>For the year ended 31 March 2011</b>
	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (audited)
Loss before taxation	7,664.8	22,695.2
Loss after taxation	7,664.8	22,695.2
		<b>As at 30 September 2011</b>
		<i>HK\$'000</i> (unaudited)
Net assets		52,818.1

Set out below are the financial information extracted from (i) the audited financial statements of Acme for the period from 18 January 2010 (date of incorporation) to 31 March 2011; and (ii) the unaudited management accounts of Acme for the period from 1 April 2011 to 30 September 2011:

***Acme***

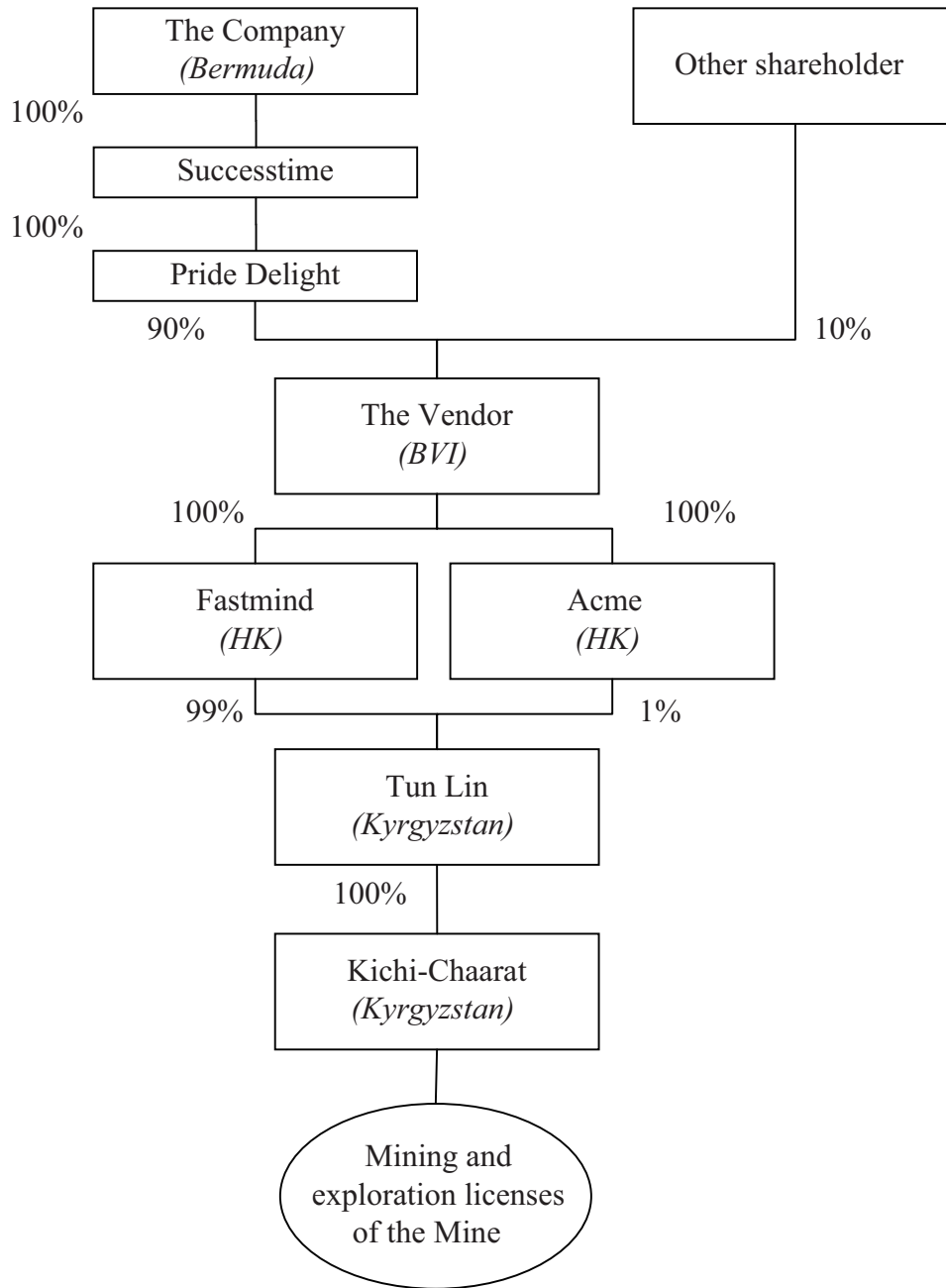
	<b>For the period from 18 January 2010 (date of incorporation) to 31 March 2011</b>	<b>For the period from 1 April 2011 to 30 September 2011</b>
	<i>HK\$'000</i> (audited)	<i>HK\$'000</i> (unaudited)
Loss before taxation	6.8	Nil
Loss after taxation	6.8	Nil
		<b>As at 30 September 2011</b>
		<i>HK\$'000</i>
Net liabilities		6.8



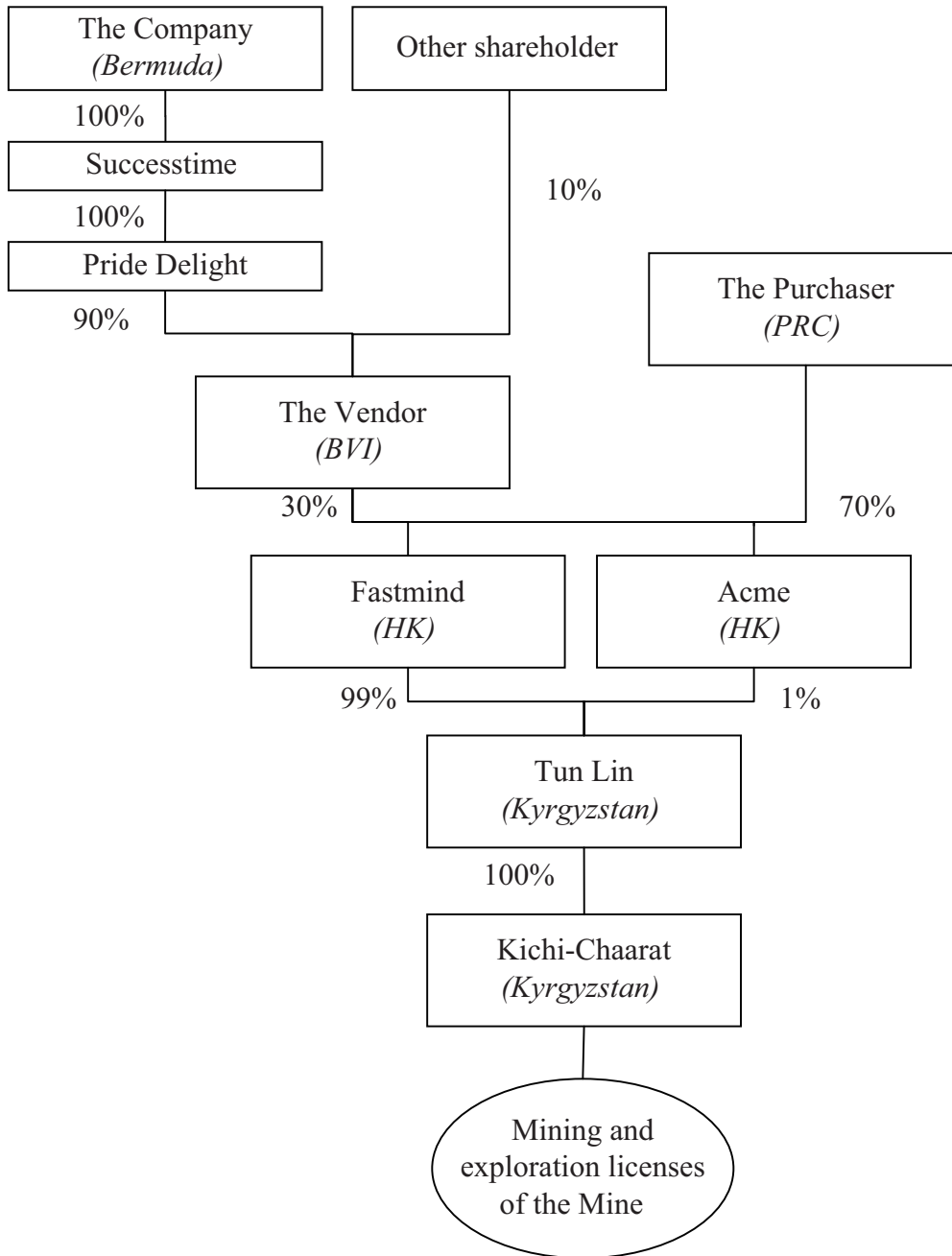
## SHAREHOLDING STRUCTURE OF ACME AND FASTMIND BEFORE AND AFTER CLOSING

Set out below is the shareholding structure of Acme and Fastmind immediately before and after Closing:

*As at the date of this announcement and immediately before Closing*



*Immediately after Closing*



## **REASONS FOR THE DISPOSAL**

The principal activities of the Group are the leasing of direct drinking water purification machines, the manufacturing and sales of air purification and water purification equipments, and construction and installation of air purification and sewage treatment system in the PRC.

In November 2009, the Group acquired 90% equity interest in the Vendor for a consideration of US\$20.0 million (equivalent to approximately HK\$155.6 million). After the acquisition of the Vendor and thus the mining rights of the Mine, the Company has engaged professional parties to conduct a feasibility study of the Mine and such study is still in the process as at the date of this announcement. The Directors consider that the Disposal offers a prime opportunity for the Group to realize a considerable gain from its investment, to introduce another shareholder with expertise and relevant industry experience to take the lead in the exploration work at the Mine as well as the financing for the exploration of the Mine, and in the meanwhile retain a significant interest in the Mine for future lucrative potentials.

Based on the unaudited management accounts of Acme and the Fastmind Group as at 30 September 2011, a gain of approximately HK\$56.5 million (before expenses and taxation) is expected to arise from the Disposal, which is calculated with reference to the Consideration of approximately HK\$163.4 million less the sum of (i) 70% of the net asset value of Acme and the Fastmind Group as at 30 September 2011; and (ii) amount of shareholder's loan advanced to Acme and the Fastmind Group of approximately HK\$98.0 million and to be waived by the Vendor under the Disposal Agreement. Shareholders and investors should note that the exact amount of gain on the Disposal is to be determined with reference to the fair value attributable to the Sale Shares as at the Closing Date and may be different from the above estimated gain.

The net proceeds from the Disposal, after deducting expenses attributable to the Disposal, are estimated to be approximately HK\$153.1 million. The Company intends to apply such net proceeds as to approximately HK\$50 million as general working capital and as to approximately HK\$103.1 million to fund this project and future acquisitions for business expansion. As at the date of this announcement, the Company has not entered into any agreement in respect of any acquisitions.

In view of the above, the Board considers that the Disposal is in the interests of the Company and the Shareholders as a whole and the terms of the Disposal Agreement are fair and reasonable.

## **LISTING RULES IMPLICATION**

The Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the Shareholders. To the best of the Directors' knowledge, no Shareholder has a material interest in the Disposal which is different from other Shareholders and thus no Shareholder is required to abstain from voting at a general meeting to approve the Disposal. Long Grand Limited, which is beneficially interested in 12,887,473,880 Shares (representing approximately 68.46% of the issued share capital of the Company as at the date hereof), has undertaken to give a written consent to the Disposal and thus no Shareholders' meeting will be held to approve the Disposal pursuant to Rule 14.44 of the Listing Rules.

A circular containing details of the Disposal Agreement, financial information of the Group and other information required under the Listing Rules will be despatched to the Shareholders on or before 1 February 2012.

## DEFINITIONS

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

“Acme”	Acme Day Limited (萃協有限公司), a company incorporated in Hong Kong with limited liability and the owner of one percent (1%) of the issued shares of Tun Lin
“Board”	the board of Directors
“Business Day”	any day that is not a Saturday, a Sunday or other day on which banks are required or authorised by law to be closed in Hong Kong or the PRC
“BVI”	the British Virgin Islands
“Company”	Chaoyue Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00147)
“Closing”	closing of the Disposal Agreement
“Closing Accounts”	the audited financial statements of Fastmind and Acme to be issued by an internationally reputable accounting firm to be engaged by the Purchaser and approved by the Vendor within three months after the Closing Date
“Closing Date”	the date on which Closing takes place
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	the aggregate consideration for the Sale Shares under the Disposal Agreement, being US\$21.0 million (approximately HK\$163.4 million) (subject to downward adjustment)
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser pursuant to the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the agreement dated 6 January 2012 entered into between the Vendor, the Purchaser and the Company in relation to the sale and purchase of the Sale Shares
“Exploration License”	License # 2451AII for the right of subsoil use with the purpose of geological exploration of the Mine issued to the Project Company by the Geological Agency of the Kyrgyz Republic on 17 November 2009

“Fastmind”	Fastmind Investments Limited (特穎投資有限公司), a company incorporated in Hong Kong with limited liability and the owner of ninety nine percent (99%) of the issued shares of Tun Lin
“Fastmind Group”	Fastmind and its subsidiaries
“Group”	the Company and its subsidiaries
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Jointly Controlled Account”	a bank account in the PRC established by the Purchaser and jointly operated by the Purchaser and the Vendor
“Kichi-Chaarat”	Kichi-Chaarat Closed Joint-Stock Company, a company incorporated in the Kyrgyz Republic
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mine”	Kuru-Tegerek Gold deposit located at Chatkal region of Jala-Abad Province, Southwest of Kyrgyz Republic
“Mining License”	License # Au-88-02 for the right of subsoil use with the purpose of development of the Mine issued to the Kichi-Chaarat by the Geological Agency of Kyrgyz Republic on 22 July 2008
“PRC”	The People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Pride Delight”	Pride Delight Limited, a limited company incorporated in the BVI which owns 90% of all the outstanding and issued shares of the Vendor
“Purchaser”	China National Gold Group Corporation, a company incorporated in the PRC with limited liability
“Sale Shares”	the 70 issued shares of HK\$1 each in the issued share capital of each of Acme and Fastmind as at Closing, as beneficially held by and to be allotted and issued to the Vendor prior to Closing
“Shareholder(s)”	holder(s) of the issued ordinary share(s) of HK\$0.001 each in the share capital the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Successtime”	Successtime Limited, a limited company incorporated in the BVI and the sole shareholder of Pride Delight
“Tun Lin”	Tun Lin Limited Liability Company, a company incorporated in the Kyrgyz Republic, which is the sole shareholder of Kichi-Chaarat

“Tun Lin Group”	Tun Lin and its subsidiaries
“Vendor”	Eagle Mountain Holdings Limited, a company incorporated in the BVI with limited liability and an indirect non wholly-owned subsidiary of the Company holding the entire equity interest in Acme and Fastmind prior to Closing
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

*In this announcement, amounts in US\$ are converted into HK\$ on the basis of US\$1 = HK\$7.78. The conversion rate applied in this announcement are for illustration purpose only and should not be taken as a representation that US\$ could actually be converted into HK\$ at that rates or at all.*

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

Hong Kong, 6 January 2012

*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.*