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CHAOYUE GROUP LIMITED

超越集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 147)

VOLUNTARY ANNOUNCEMENT ESTABLISHMENT OF A FINANCE LEASING COMPANY

Chaoyue Group Limited (the “**Company**”) wishes to make this voluntary announcement.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Company has obtained an approval from the Management Committee of China (Shanghai) Pilot Free Trade Zone (中國(上海)自由貿易試驗區管理委員會), pursuant to which the Company would establish a wholly foreign owned enterprise, namely上海加敬融資租賃有限公司 (Shanghai Jiaging Financial Leasing Co., Ltd.*) (the “**WFOE**”) in the China (Shanghai) Pilot Free Trade Zone of the People’s Republic of China (the “**PRC**”) to carry out finance leasing business in the PRC.

The scope of business including finance leasing business; leasing business; purchasing of leased assets at domestic and foreign markets; disposal of residual value and maintenance of leased assets; provision of consultation and guarantees for lease transactions; engaging in commercial factoring business in relation to the main businesses.

The registered capital of the WFOE is RMB620 million. On 13 May 2015, the Company completed the first phase of capital contribution of approximately RMB124 million to the WFOE. The remaining approximately RMB496 million registered capital should be contributed within 30 years from the date of the business license of the WFOE.

REASONS FOR ESTABLISHING THE WFOE

The Company and its subsidiaries (the “**Group**”) are principally engaged in (i) property development in the PRC; (ii) provision of consultancy services; (iii) trading of goods and operation of e-commerce platforms and (iv) gold mining businesses.

Reference is made to the announcement of the Company dated 31 March 2015 and the circular of the Company dated 31 December 2014 in relation to the completion of a very substantial acquisition of the Company for a 70% equity interest in a property developer in the PRC (the “**Acquisition**”). As mentioned in the interim report of the Company for the six months ended 30 September 2014, it is the Company’s strategy to review from time to time potential business opportunities and investments to enhance its shareholders’ value.

In late 2014, the Board becomes aware of the government deregulation and financial reform within the China (Shanghai) Pilot Free Trade Zone, in particular, the market liberalization measures on financial leasing businesses. The Board is of the view that the establishment of the WFOE would allow the Group to grasp the growth opportunity resulting from the PRC government deregulation and meanwhile create synergy effect with the Group's newly acquired property development business through provision of capital financing and liquidity support towards the acquisition and/or leasing of various construction machineries and property fixtures required in the course of property development activities to be carried out by the Group.

In addition, the WFOE would provide financial and operating leasing services to external domestic and international companies in relation to the leasing of, among others, fixed assets such as aircrafts, vessels and other sizable machineries and equipment. The management team of the WFOE comprises a group of experienced bankers, investment institutions professionals and senior managers of established corporations with a rich finance and banking background.

The Board considers the establishment of the WFOE is in line with the Company's strategy and would further diversify the revenue streams of the Group and is in the interest of the Company and its shareholders as a whole. The Company will disclose any material developments on the WFOE in the future as and when appropriate.

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

Hong Kong, 15 May 2015

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 Guangsheng as independent non-executive Directors.

* *For identification purpose only.*