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## CHAOYUE GROUP LIMITED

### 超越集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00147)

## ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2013

The board of directors (the “Board”) of Chaoyue Group Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2013 (the “Current Year”), together with the comparative figures for the corresponding period of 2012 ( the “Previous Year”), as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2013

	NOTES	2013 HK\$'000	2012 HK\$'000 (Restated)
<b>Continuing operations</b>			
Revenue	4	13,827	–
Cost of sales and services		(9,609)	–
Gross profit		4,218	–
Other income, gains and losses	5	409	305
Selling expenses		(37)	–
Administrative expenses		(22,164)	(12,952)
Share of results of associates	10	(2,567)	–
Loss before taxation		(20,141)	(12,647)
Income tax	6	–	–
Loss for the year from continuing operations	8	(20,141)	(12,647)
<b>Discontinued operations</b>			
Profit (loss) for the year from discontinued operations	7	253,611	(31,282)
Profit (loss) for the year		233,470	(43,929)

	<i>NOTES</i>	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i> (Restated)
<b>Other comprehensive income (expense) for the year</b>			
Exchange differences arising on translation			
– from continuing operations		<b>32</b>	–
– from discontinued operations		<b>1,772</b>	(6,010)
		<u><b>1,804</b></u>	<u>(6,010)</u>
Total comprehensive income (expense) for the year		<u><b>235,274</b></u>	<u>(49,939)</u>
Profit (loss) for the year attributable to owners of the Company			
– from continuing operations		<b>(19,490)</b>	(12,647)
– from discontinued operations		<b>237,144</b>	(29,952)
		<u><b>217,654</b></u>	<u>(42,599)</u>
Profit (loss) for the year attributable to non-controlling interests			
– from continuing operations		<b>(651)</b>	–
– from discontinued operations		<b>16,467</b>	(1,330)
		<u><b>15,816</b></u>	<u>(1,330)</u>
		<u><b>233,470</b></u>	<u>(43,929)</u>
Total comprehensive income (expense) attributable to:			
Owners of the Company		<b>219,419</b>	(48,614)
Non-controlling interests		<b>15,855</b>	(1,325)
		<u><b>235,274</b></u>	<u>(49,939)</u>
Earnings (loss) per share			
From continuing and discontinued operations	9		
Basic and diluted (HK cents)		<u><b>1.14</b></u>	<u>(0.22)</u>
From continuing operations			
Basic and diluted (HK cents)		<u><b>(0.10)</b></u>	<u>(0.07)</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 MARCH 2013**

	<i>NOTES</i>	<b>2013</b> <b>HK\$'000</b>	2012 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>2,173</b>	13,085
Intangible assets		–	–
Goodwill	<i>13</i>	<b>462</b>	–
Interests in associates	<i>10</i>	<b>54,081</b>	–
		<u><b>56,716</b></u>	<u>13,085</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	<i>11</i>	<b>4,405</b>	1,899
Financial assets at fair value through profit or loss		<b>9,906</b>	–
Bank balances and cash		<b>214,642</b>	37,903
		<u><b>228,953</b></u>	<u>39,802</u>
Assets classified as held for sale	<i>14(b)</i>	–	128,801
		<u><b>228,953</b></u>	<u>168,603</u>
<b>CURRENT LIABILITIES</b>			
Amounts due to customers for contract work		–	910
Trade and other payables	<i>12</i>	<b>4,254</b>	55,137
Tax payable		–	1,008
Warranty provision		–	1,575
Deferred income		–	10,326
		<u><b>4,254</b></u>	<u>68,956</u>
Liabilities associated with assets classified as held for sale	<i>14(b)</i>	–	1,263
		<u><b>4,254</b></u>	<u>70,219</u>
<b>NET CURRENT ASSETS</b>		<u><b>224,699</b></u>	<u>98,384</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>281,415</b></u>	<u>111,469</u>

	<i>NOTES</i>	<b>2013</b> <b>HK\$'000</b>	2012 HK\$'000
<b>NON-CURRENT LIABILITIES</b>			
Amount due to a director of a former subsidiary		–	22,232
Borrowings		–	16,474
Deferred income		–	8,866
Customer's deposit		–	10,000
		<u>–</u>	<u>57,572</u>
		<b><u>281,415</u></b>	<b><u>53,897</u></b>
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>18,876</b>	18,824
Reserves		<b>251,382</b>	30,785
Amounts recognised in other comprehensive income and accumulated in equity relating to assets classified as held for sale		–	1,230
		<u>–</u>	<u>1,230</u>
Equity attributable to owners of the Company		<b>270,258</b>	50,839
Non-controlling interests			
Non-controlling interests		<b>11,157</b>	2,921
Amounts recognised in other comprehensive income relating to assets classified as held for sale and including in non-controlling interests		–	137
		<u>–</u>	<u>137</u>
		<b><u>11,157</u></b>	<b><u>3,058</u></b>
		<b><u>281,415</u></b>	<b><u>53,897</u></b>

Notes:

## 1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability under the Bermuda Companies Act and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The parent company and ultimate holding company is Long Grand Limited, a company incorporated in British Virgin Islands (the “BVI”). The address of the registered office and principal place of business of the Company is disclosed in the Corporate Information section of the Annual Report.

On 27 September 2012 and 5 June 2012, the Group disposed of the entire equity interests in Park Wealth International Limited and its subsidiaries (“Park Wealth Group”) and 70% equity interests of each of Acme Day Limited and Fastmind Investments Limited and their subsidiaries (“Mining Group”), respectively, the details of the disposal are set out in note 14. Park Wealth Group and Mining Group carried out the Group’s direct drinking water, purification equipment and environmental engineering and mining operations respectively. Accordingly, Park Wealth Group’s and Mining Group’s results are classified as discontinued operations. Comparative figures on the consolidated statement of comprehensive income have been re-presented accordingly. Upon disposal of 70% equity interest in Mining Group, the Group still retains 30% equity interest in Mining Group which is treated as associates.

On 26 April 2012, the Group acquired 60% equity interests in United (Fujian) Corporate Management Limited (“United Fujian”). The principal activities of United Fujian are provision of corporate management consultancy services and trading of goods. Details of this acquisition are set out in note 13.

The functional currency of the Company is Renminbi (“RMB”) as the Group’s operation is mainly in the People’s Republic of China (the “PRC”). As the shares of the Company are listed in the Stock Exchange, for the convenience of the financial statements users, the results and financial position of the Group are expressed in Hong Kong dollars (“HK\$”), the presentation currency for the consolidated financial statements.

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### *New and revised HKFRSs applied in the current year*

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Asset;
Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets; and
Amendments to HKAS 1	As part of the Annual Improvements to HKFRSs 2009-2011 Cycle issued in 2012.

The application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and on the disclosures set out in these consolidated financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 4. REVENUE AND SEGMENT INFORMATION

During the year ended 31 March 2013, the Group disposed of the entire equity interests in Park Wealth Group and 70% equity interests in Mining Group. Therefore, the operations of these two groups are classified as discontinued operations. Information of discontinued operations is set out in note 7.

In addition, the Group acquired 60% equity interests in a subsidiary, United Fujian, during the year ended 31 March 2013. The principal activity of United Fujian is provision of corporate management consultancy services. Subsequent to acquisition, United Fujian also engaged in trading of goods. The consultancy services and trading activities rendered by United Fujian during the year ended 31 March 2013 are classified as continuing operations.

The segment information reported externally are consultancy services and trading activities rendered by United Fujian which is consistent with the internal information that are regularly reviewed by the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, which is organised around differences in products and services.

The Group’s operating and reportable segments under HKFRS 8 are as follows:

#### **New continuing operations carried out by United Fujian**

- |                      |   |                                                                                                                                                                                                                                                                                          |
|----------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Consultancy services | – | Provision of corporate management consultancy services (such as business development related to business acquisition and investment opportunities studies, system development related to internal control and computer system development and human resource services) mainly in the PRC |
| Trading of goods     | – | Sales of construction materials and wines                                                                                                                                                                                                                                                |

#### **Discontinued operations carried out by Park Wealth Group**

- |                           |   |                                                                                                           |
|---------------------------|---|-----------------------------------------------------------------------------------------------------------|
| Direct drinking water     | – | Lease of direct drinking water purification machines and royalty income for use of the Group’s brand name |
| Purification equipment    | – | Manufacturing and sales of air purification and water purification equipments                             |
| Environmental engineering | – | Construction and installation of air purification and sewage treatment system                             |

#### **Discontinued operation carried out by Mining Group**

- |        |   |                                                                                                                                |
|--------|---|--------------------------------------------------------------------------------------------------------------------------------|
| Mining | – | Exploration of gold and copper (mining segment was already treated as discontinued operation for the year ended 31 March 2012) |
|--------|---|--------------------------------------------------------------------------------------------------------------------------------|

## Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by operating and reportable segments for the year ended 31 March 2013.

	<b>Consultancy services HK\$'000</b>	<b>Trading of goods HK\$'000</b>	<b>Elimination HK\$'000</b>	<b>Total HK\$'000</b>
REVENUE				
External sales	5,418	8,409	–	13,827
Inter-segment sales	<u>2,150</u>	<u>–</u>	<u>(2,150)</u>	<u>–</u>
Segment revenue	<u>7,568</u>	<u>8,409</u>	<u>(2,150)</u>	<u>13,827</u>
Segment (loss) profit	<u>(1,864)</u>	<u>418</u>	<u>(1,022)</u>	<u>(2,468)</u>
Unallocated income				743
Unallocated corporate expenses				(15,849)
Share of results of associates				<u>(2,567)</u>
Loss before taxation				<u>(20,141)</u>

*Note:* Inter-segment sales are charged at prevailing market rates.

The accounting policies of the operating segments are the same as the Group's accounting policies in note 3. Segment results represent the results from each segment without allocation of central administration costs, directors' salaries, interest income, share of result of associates and income tax. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

## Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities relating to continuing operations by operating and reportable segment as at 31 March 2013.

All the segments relating to discontinued operations have been disposed of during the year ended 31 March 2013. Therefore, no comparative figures for segment assets and liabilities are presented. Details of assets and liabilities of the discontinued operations are set out in note 14.

	<b>2013</b> <b>HK\$'000</b>
<b>ASSETS</b>	
<i>Segment assets</i>	
Assets relating to continuing operations	
Consultancy services	3,091
Trading of goods	938
	<hr/>
Total segment assets	4,029
	<hr/>
Unallocated assets	
– Bank balances and cash	214,642
– Financial assets at FVTPL	9,906
– Goodwill	462
– Interests in associates	54,081
– Others	2,549
	<hr/>
Total unallocated assets	281,640
	<hr/>
Consolidated total assets	<b>285,669</b>
	<hr/> <hr/>
<b>LIABILITIES</b>	
<i>Segment liabilities</i>	
Liabilities relating to continuing operations	
Consultancy services	2,218
	<hr/>
Unallocated liabilities	
– Others	2,036
	<hr/>
Consolidated total liabilities	<b>4,254</b>
	<hr/> <hr/>

Details of assets and liabilities of the discontinued operations are set out in note 14.

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than bank balances and cash, financial assets at FVTPL, goodwill, interests in associates and other assets not attributable to respective segment; and
- all liabilities are allocated to operating segments other than liabilities not attributable to respective segment.



## Other segment information

For the year ended 31 March 2013

Amounts included in the measure of segment profit or loss or segment assets from continuing operations:

	<b>Consultancy services HK\$'000</b>	<b>Trading of goods HK\$'000</b>	<b>Total HK\$'000</b>
Additions to property, plant and equipment	2,505	–	2,505
Depreciation of property, plant and equipment	1,240	–	1,240
	<u>2,505</u>	<u>–</u>	<u>2,505</u>

## Information about geographical areas

The Group's operations are principally located in the PRC (country of domicile). All revenue from continuing operations from external customers were generated from customers in the PRC. All non-current assets used in continuing operations are located in the PRC.

## Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenues of the Group are as follow:

	<b>2013 HK\$'000</b>
Customer A (note i)	8,157
Customer B (note ii)	2,631
Customer C (note ii)	1,453
	<u>12,241</u>

Notes i: Revenue from trading of goods

Notes ii: Revenue from consultancy services

## Information about products and services

An analysis of the Group's revenue for the year is as follows:

	<b>2013 HK\$'000</b>	<b>2012 HK\$'000 (Restated)</b>
Consultancy services	5,418	–
Trading of goods	8,409	–
	<u>13,827</u>	<u>–</u>

## 5. OTHER INCOME, GAINS AND LOSSES

	<b>2013 HK\$'000</b>	<b>2012 HK\$'000 (Restated)</b>
<b>Continuing operations</b>		
Bank interest income	743	282
Net exchange loss	(327)	23
Others	(7)	–
	<u>409</u>	<u>305</u>

## 6. TAXATION

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the income of the Group neither arises in nor is derived from Hong Kong.

The Group's PRC Enterprise Income Tax ("EIT") is calculated based on the applicable tax rate on assessable profits, if applicable. The applicable EIT rate for the Company's PRC subsidiary is 25%.

## 7. DISCONTINUED OPERATIONS

On 5 June 2012, the Group disposed of 70% equity interest in Mining Group at a total consideration of US\$21,000,000. The net proceed received was approximately HK\$161,604,000. The Mining Group carries out all of the Group's mining operation in the Republic of Kyrgyz, and is treated as a discontinued operation and the comparative figures in the consolidated statement of comprehensive income are re-presented.

On 27 September 2012, the Group disposed of 100% equity interest in Park Wealth Group at a total consideration of HK\$78,500,000, which carries out all of the Group's direct drinking water, purification equipment and environmental engineering operations, and are treated as discontinued operations and the comparative figures in the consolidated statement of comprehensive income are re-presented.

The results of the discontinued operations for the year were as follows:

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i> (Restated)
Loss from operations	<b>(1,530)</b>	(31,282)
Gain on disposal of subsidiaries ( <i>note 14</i> )	<b>255,141</b>	–
Profit (loss) for the year from discontinued operations	<b>253,611</b>	(31,282)
Profit (loss) for the year from discontinued operations attributable to:		
Owners of the Company	<b>237,144</b>	(29,952)
Non-controlling interests	<b>16,467</b>	(1,330)
	<b>253,611</b>	(31,282)

The results of the operations for the current and preceding years, which have been included in the consolidated statement of comprehensive income, were as below:

	<b>Mining Group</b>		<b>Park Wealth Group</b>		<b>Total</b>	
	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Revenue	–	–	<b>11,873</b>	23,101	<b>11,873</b>	23,101
Cost of sales	–	–	<b>(784)</b>	(7,486)	<b>(784)</b>	(7,486)
Other income, gains and losses	<b>(938)</b>	877	<b>1,701</b>	2,263	<b>763</b>	3,140
Selling expenses	–	–	<b>(50)</b>	(3,261)	<b>(50)</b>	(3,261)
Administrative expenses	<b>(10,536)</b>	(33,593)	<b>(1,323)</b>	(12,212)	<b>(11,859)</b>	(45,805)
Finance costs	–	–	<b>(1,473)</b>	(2,541)	<b>(1,473)</b>	(2,541)
(Loss) profit before taxation	<b>(11,474)</b>	(32,716)	<b>9,944</b>	(136)	<b>(1,530)</b>	(32,852)
Income tax	–	–	–	1,570	–	1,570
(Loss) profit for the year	<b>(11,474)</b>	(32,716)	<b>9,944</b>	1,434	<b>(1,530)</b>	(31,282)

Profit (loss) for the current and preceding years from discontinued operations has been arrived at after charging:

	Mining Group		Park Wealth Group		Total	
	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
Directors' emoluments	-	-	-	-	-	-
Other staff salaries, wages and allowances	(10,316)	(15,845)	(135)	(1,256)	(10,451)	(17,101)
Other staff retirement benefit scheme contributions	-	-	(27)	(398)	(27)	(398)
<b>Total staff costs</b>	<b>(10,316)</b>	<b>(15,845)</b>	<b>(162)</b>	<b>(1,654)</b>	<b>(10,478)</b>	<b>(17,499)</b>
Auditor's remuneration	(18)	(16)	(26)	(167)	(44)	(183)
Depreciation of property, plant and equipment	-	-	(959)	(3,797)	(959)	(3,797)
Amortisation of intangible assets	-	(9,478)	-	-	-	(9,478)
Cost of inventories recognised as expenses	-	-	-	(4,186)	-	(4,186)
Allowance for obsolete and slow-moving inventories	-	-	-	(475)	-	(475)
Foreseeable loss on construction contracts	-	-	-	(1,271)	-	(1,271)
Reversal (allowance) on bad and doubtful debts, net,	-	-	1,205	(4,129)	1,205	(4,129)
Impairment loss on advances to suppliers	-	-	-	(2,979)	-	(2,979)

During the year ended 31 March 2013, the discontinued operations used approximately HK\$10,364,000 (2012: HK\$547,000) for Mining Group and approximately HK\$2,338,000 (2012: HK\$20,464,000) for Park Wealth Group to the Group's net operating cash outflows, nil (2012: nil) in respect of investing activities and financing activities.

## 8. LOSS FOR THE YEAR

Loss for the year from continuing operations has been arrived at after charging:

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i> (restated)
Directors' emoluments	<b>1,815</b>	1,812
Other staff salaries, wages and allowances	<b>7,974</b>	4,414
Other staff retirement benefit scheme contributions	<b>565</b>	117
	<hr/>	<hr/>
Total staff costs	<b>10,354</b>	6,343
	<hr/>	<hr/>
Auditor's remuneration	<b>1,160</b>	1,500
Depreciation of property, plant and equipment	<b>1,240</b>	24
	<hr/> <hr/>	<hr/> <hr/>

## 9. EARNINGS (LOSS) PER SHARE

### From continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Profit (loss) for the year attributable to owners of the Company for the purposes of basic and diluted earnings (loss) per share	<b>217,654</b>	(42,599)
	<hr/> <hr/>	<hr/> <hr/>
Number of shares for the purposes of basic and diluted earnings (loss) per share ( <i>note</i> )	<b>19,039,072,320</b>	19,039,072,320
	<hr/> <hr/>	<hr/> <hr/>

*Note:* The weighted average number of shares for the purposes of basic and diluted earnings (loss) per share includes the convertible preference shares as they rank equally among themselves and pari passu with all other ordinary shares of the Company in issue with respect of the right to any dividends or distribution declared.

The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for shares for both 2013 and 2012.

### From continuing operations

The calculation of the basic and diluted loss per share for the year from continuing operations attributable to the owners of the Company is based on the following data:

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i> (Restated)
<b>Profit (loss)</b>		
Profit (loss) for the year attributable to owners of the Company	<b>217,654</b>	(42,599)
Less: (profit) loss for the year from discontinued operations	<b>(237,144)</b>	29,952
Loss for the purpose of basic and diluted loss per share from continuing operations	<b><u>(19,490)</u></b>	<b><u>(12,647)</u></b>

The denominators used are the same as those detailed above for both basic and diluted earnings (loss) per share.

### From discontinued operations

For the year ended 31 March 2013, basic and diluted earnings per share from discontinued operations is approximately HK1.25 cents per share (loss per share for the year ended 31 March 2012: HK0.16 cents per share), based on the profit for the year from discontinued operations attributable to the owner of the Company of approximately HK\$237,144,000 (loss for the year ended 31 March 2012: HK\$29,952,000), and the denominators used are the same as those detailed above for both basic and diluted loss per share.

## 10. INTERESTS IN ASSOCIATES

	<i>HK\$'000</i>
Cost of interest in associates ( <i>note 14b</i> )	56,648
Share of post-acquisition loss	<u>(2,567)</u>
	<b><u>54,081</u></b>

*Note:* Included in interests in associates is an intangible assets amounted to HK\$40,830,000.

As disclosed in note 14b, the Group disposed of 70% equity interest in the Mining Group during the year ended 31 March 2013. After the disposal, the Group lost control over the financial and operating policies of the Mining Group and the Mining Group has become associates of the Group thereafter. The fair value of the Group's remaining interest in the mining Group is regarded as its deemed cost which mainly represents the mining license of the associates at the acquisition date. As at 31 March 2013, the Mining Group is still under exploration and evaluation stage.

The summarised financial information in respect of the Group's associates is set out below:

	<b>2013</b> <i>HK\$'000</i>
Total assets	<b>290,875</b>
Total liabilities	<b>(246,704)</b>
Net assets	<b>44,171</b>
Group's share of net assets of associates	<b>13,251</b>
	<b>2013</b> <i>HK\$'000</i>
Revenue	<b>–</b>
Total comprehensive expense for the year	<b>(8,558)</b>
Group's share of results of associates	<b>(2,567)</b>

#### 11. TRADE AND OTHER RECEIVABLES

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Trade receivables	<b>1,857</b>	14
Prepayments and deposits	<b>1,818</b>	1,369
Other receivables	<b>730</b>	516
	<b>4,405</b>	1,899

The following is an aged analysis of trade receivables of the Group net of allowance for doubtful debts presented based on invoice date at the end of the reporting period, which approximated the respective revenue recognition date:

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
0 to 30 days	<b>206</b>	14
31 to 90 days	<b>619</b>	–
91 to 180 days	<b>1,032</b>	–
	<b>1,857</b>	14

Other than cash sales, the Group generally allows an average credit period of 30 days to 180 days to its trade customers.

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit rating limits of each customer. Limits attributed to customers are reviewed once a year. In determining the recoverability of a trade receivable, the Group considers changes in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date and no impairment is necessary for those balances which are not past due.

Movement in the allowance for doubtful debts in respect of trade and other receivables

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Balance at beginning of the year	<b>68,432</b>	58,619
Disposal of subsidiaries	<b>(65,060)</b>	–
Exchange adjustments	<b>(2,167)</b>	2,705
Impairment losses recognised	<b>378</b>	8,188
Impairment losses reversed	<b>(1,583)</b>	(1,080)
	<hr/>	<hr/>
Balance at end of the year	<b>–</b>	<b>68,432</b>
	<hr/> <hr/>	<hr/> <hr/>

At 31 March 2013, no allowance for doubtful debts is included in trade and other receivables.

At 31 March 2012, included in the allowance for doubtful debts are individually impaired trade and other receivables with an aggregate balance of approximately HK\$68,432,000. The debtors have defaulted in the scheduled payments after the due dates and the Group performed an assessment and concluded the chance of recovering the account receivables is low such that full impairment had been recognised in respect of these account receivables. On 27 September 2012, the Group disposed of its entire equity interests in Park Wealth Group to an independent third party and the aggregate balance of allowance for doubtful debts has been derecognised upon disposal.

**12. TRADE AND OTHER PAYABLES**

	<b>2013</b> <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Trade payables	–	4,448
Other payables	<b>44</b>	4,344
Other tax payables	<b>310</b>	18,365
Receipt in advance from customers	<b>2,218</b>	26,189
Accruals	<b>1,682</b>	1,791
	<hr/>	<hr/>
	<b>4,254</b>	<b>55,137</b>
	<hr/> <hr/>	<hr/> <hr/>

Trade payables principally comprise amounts outstanding for purchase of raw materials in 2012. The average credit period for purchase of raw materials ranged from 30 days to 180 days.

### 13. ACQUISITION OF A SUBSIDIARY

On 26 April 2012, the Group acquired 60% equity interests in United Fujian by capital injection of RMB7,500,000, equivalent to approximately HK\$9,250,000, to diversify its business scope and widen its revenue base. The principal activity of United Fujian at acquisition date is provision of corporate management consultancy services.

*HK\$'000*

**Capital injection:**

Cash	9,250
------	-------

Acquisition-related costs were insignificant and have been excluded from the cost of acquisition and have been recognised as an expense in the period.

*HK\$'000*

**Assets and liabilities recognised at the date of acquisition:**

Net assets acquired	
Property, plant and equipment	876
Trade and other receivables	4,023
Bank balances and cash	3,638
Trade and other payables	(2,465)
Tax payable	(675)
	<u>5,397</u>
Add: Capital injection	9,250
	<u>14,647</u>

The trade and other receivables acquired with a fair value of approximately HK\$4,023,000 has gross contractual amounts of approximately HK\$4,023,000.

*HK\$'000*

**Goodwill arising on acquisition:**

Cash investment	9,250
Add: non-controlling interests ( <i>note</i> )	5,859
Less: net assets acquired	<u>(14,647)</u>
	<u>462</u>

*Note:* The non-controlling interest in United Fujian of approximately HK\$5,859,000 was measured by reference to the proportionate share of the acquiree's net identifiable assets at the acquisition date.



None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

**HK\$'000**

**Net cash inflow arising on acquisition:**

Bank balances and cash acquired 3,638

**Impact of acquisition on the results of the Group**

Included in the profit for the year is loss of approximately HK\$2,132,000 attributable by United Fujian. Revenue for the year includes approximately HK\$13,827,000 in respect of United Fujian.

Had the acquisition of United Fujian been effected at 1 April 2012, the revenue of the Group for the year ended 31 March 2012 would have been approximately HK\$14,661,000, and the Group's profit the year would have been approximately HK\$233,240,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at 1 April 2012, nor is intended to be a projection of future results.

**14. DISPOSAL OF SUBSIDIARIES**

(a) Disposal of Park Wealth Group

On 27 September 2012, the Group disposed of its entire equity interests in Park Wealth Group to an independent third party at a consideration of HK\$78,500,000. According to the sale and purchase agreement, the Group is obliged to pay HK\$10,000,000 to Park Wealth Group as operating fund at date of disposal.

The Park Wealth Group was engaged in lease of direct drinking water purification machines, royalty income for use of Park Wealth Group's brand name, manufacturing and sales of air purification and water purification equipment, and construction and installation of air purification and sewage treatment system.

**HK\$'000**

**Consideration satisfied by:**

Cash consideration	78,500
Operating fund paid to Park Wealth Group	(10,000)
	68,500
	68,500

**Analysis of assets and liabilities over which control was lost:**

Property, plant and equipment	11,984
Trade and other receivables	1,931
Bank balances and cash	836
Amounts due to customers for contract work	(900)
Trade and other payables	(45,694)
Tax payable	(997)
Warranty provision	(1,431)
Deferred income	(13,895)
Amount due to a director of a former subsidiary	(22,902)
Borrowings	(16,469)
Customer's deposit	(10,000)
	(97,537)
	(97,537)

**Gain on disposal of a subsidiary:**

Cash consideration	78,500
Operating fund paid to Park Wealth Group	(10,000)
Net liabilities disposed of	97,537
	166,037
	166,037

**Net cash outflow arising on disposal:**

Cash consideration	78,500
Operating fund paid to Park Wealth Group	(10,000)
Bank balances and cash disposed of	(836)
	67,664
	67,664

(b) Disposal of Mining Group

On 5 June 2012, the Group disposed of its 70% equity interests in the Mining Group to an independent third party for a consideration of US\$21,000,000. The net proceed received was approximately HK\$161,604,000. The Mining Group has been classified as assets held for sale and presented separately in the consolidated statement of financial position as at 31 March 2012. The Group through a 90% owned subsidiary retained 30% equity interests in the Mining Group after the disposal which is treated as associates of the Group.

The Mining Group was engaged in exploration of gold and copper in the Republic of Kyrgyz.

	<i>HK\$'000</i>	
<b>Consideration satisfied by:</b>		
Cash		161,604
	<b>5/6/2012</b>	<b>31/3/2012</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Analysis of assets and liabilities as below:</b>		
Intangible assets	122,598	122,598
Prepayments	6,119	6,119
Bank balances and cash	15	84
Trade and other payables	(1,903)	(1,263)
	<u>126,829</u>	<u>127,538</u>
Net assets disposed of	<u>126,829</u>	<u>127,538</u>
		<i>HK\$'000</i>
<b>Gain on disposal of subsidiaries:</b>		
Cash consideration ( <i>note i</i> )		161,604
Fair value of 30% residual equity interests in Mining Group at 5 June 2012 ( <i>note 10</i> ) ( <i>note ii</i> )		56,648
Net assets disposed of		(126,829)
Disposal-related expenses		(2,319)
		<u>89,104</u>
Gain on disposal		<u>89,104</u>
		<i>HK\$'000</i>
<b>Net cash outflow arising on disposal:</b>		
Cash consideration ( <i>note i</i> )		161,604
Bank balances and cash disposed of		(15)
		<u>161,589</u>

*Note:*

- (i) The sales proceed was released from the escrow account and received by the Group during the year ended 31 March 2013.
- (ii) This 30% equity interest in Mining Group was assessed by the directors of the Company with reference to the valuation at the disposal date performed by BMI Appraisals Limited. The value was determined by BMI Appraisals Limited using a cash flow projection based on financial budgets approved by the management and certain key assumptions including a discount rate of 26.3% and expected market prices of gold and copper in forecast period. In addition, the cash flow projections were prepared based on the assumptions that (a) the operation of Mining Group will be ceased in 2041 and (b) the forecast of mine ores can be extracted.

## **FINAL DIVIDEND**

The Board does not recommend the payment of a dividend for the year ended 31 March 2013 (2012: Nil).

## **MANAGEMENTS STATEMENT**

### **SIGNIFICANT EVENTS DURING THE YEAR**

#### **Acquisition of United Fujian**

On 13 March 2012, a capital injection agreement was entered into by the Group to invest in United (Fujian) Enterprise Management Co., Ltd. (“United Fujian”). In April 2012, RMB7.5 million (equivalent to approximately HK\$9,250,000) was injected into United Fujian and the injected capital was properly verified by the relevant PRC government authorities. United Fujian became a 60% subsidiary of the Group accordingly.

United Fujian is a wholly foreign-owned enterprise established in the PRC in 2008 and is principally engaged in the provision of corporate management consulting services, provision of international economy, technology and environmental protection related data and consultancy services, system management and maintenance, information technology support and management, human resources services, software development, data processing and process outsourcing. United Fujian is also engaged in the wholesale of textile, clothing, daily consumables, cultural and sports products, handicrafts, construction materials, machines and equipment, hardware and electrical appliances and electronic products.

#### **Disposal of 70% of Gold Mine**

On 6 January 2012, the Group and China National Gold Group Corporation (“China Gold Group”) entered into a sale agreement to dispose 70% interest in two subsidiaries, Fastmind Investments Limited and Acme Day Limited, which are the beneficiary owners of a company with exploration license and mining license for the Kuru-Tegerek gold deposit (“Gold Mine”) in the Republic of Kyrgyz at a total consideration of USD21,000,000.

The disposal was completed on 5 June 2012 and the net consideration of approximately HK\$161,604,000 was received subsequently and a gain of HK\$89,104,000 was recognised in the Current Year. After the disposal, Fastmind Investments Limited and Acme Day Limited become associated companies of the Group.

#### **Disposal of Park Wealth**

On 22 June 2012, a sale and purchase agreement was entered into pursuant to which the Group agreed to dispose the entire issued capital of Park Wealth Limited (“Park Wealth”, together with its subsidiaries collectively referred to as the “Park Wealth Group”) and the shareholder’s loan to Park Wealth for an aggregate consideration of HK\$78,500,000.

Park Wealth hold 100% of shareholding of Shanghai Comfort Environment and Science Co., Ltd which is principally engaged in the leasing of direct drinking water purification machines, the manufacturing and sale of air purification and water purification equipment, and construction and installation of air purification and sewage treatment system in the PRC.

The disposal was completed on 27 September 2012 and the consideration was received. Because of the unsatisfactory performance of the Park Wealth Group in the previous years and significant impairment losses in respect of assets and goodwill were recorded, HK\$166,037,000 gain was recognized in this disposal.

## **OVERALL RESULTS**

The Group recorded a turnover of HK\$13,827,000 and a gross profit of HK\$4,218,000 for the Current Year which were generated from the newly acquired United Fujian. The turnover and gross profit for the Previous Year, which were generated from Park Wealth Group, were restated and disclosed as the discontinued operation in view of the disposal of the Park Wealth Limited. The Group recorded a profit of HK\$233,470,000 for the Current Year while a loss of HK\$43,929,000 for the Previous Year were recorded. The profit for the Current Year was mainly due to the gain of HK\$166,037,000 resulted from the disposal of the entire interest of Park Wealth Group and the gain of HK\$89,104,000 resulted from the disposal of 70% shareholding of the Gold Mine in the Republic of Kyrgyz.

The earnings per share from continuing and discontinued operations of the Group for the Current Year was HK1.14 cents (the Previous Year: loss per share of HK0.22 cents). For continuing operations only, there is a loss of HK0.10 cent (the Previous Year: HK0.07 cent) per share for the Current Period. The Board does not recommend the payment of dividend for the Current Year.

## **REVIEW OF OPERATIONS**

### **United Fujian**

United Fujian is principally engaged in provision of consultancy services, trading of goods and construction, operation and maintenance of websites and/or e-commerce platform. Details of operation of different segments are as follows:

#### **(a) *Provision of consultancy services***

The consultancy services provided by United Fujian to its clients include a comprehensive scope of assessment for its client's business on internal control system, operating strategy, budgeting, personnel retention and training, information technology support, cost control, administrative functions and logistics system. United Fujian also conducts market research and analysis and develops applicable management software for its clients. During the Current Year, United Fujian terminated the service with one client. As at 31 March 2013, United Fujian had a total of four clients. Each client will contribute RMB1 million to RMB2 million consultancy fee annually. United Fujian is now negotiating with two potential clients for the scope and terms of service to be provided. For the Current Year, the turnover recorded for this segment was HK\$7,568,000 and the segment loss was HK\$1,864,000.

#### **(b) *Trading of goods***

With the introduction through one of the existing clients principally engaged in property development, United Fujian entered into a contract with a state-owned enterprise principally engaged in property and highway construction in the PRC in the second half of 2012 to source construction materials for its property development projects. Along with the completion of the property project of the client, United Fujian may further enter into a contract therewith to source branded products for the shopping outlet being developed by the client at the site. During the Current Year, the turnover recorded for this segment was HK\$8,409,000 which represented mainly trading of construction materials and the segment profit was HK\$418,000.

**(c) Construction, operation and maintenance of websites and/or e-commerce platforms**

United Fujian also extended its business scope to the construction, operation and maintenance of website and e-commerce platforms for its clients with a view to promoting the clients' upcoming projects and establishing an online shopping platform of the clients' products.

In August 2012, United Fujian entered into a contract with a client to establish a e-commerce platform in trading of red wine in the PRC. However, the contract was terminated in March 2013. United Fujian conducted a series of market researches on red wine market in the PRC for this project and consider that the prospect of this project is very good. After thorough consideration, United Fujian reached an agreement with that client and decided to run the red wine e-commerce platform itself. United Fujian had entered into a sole distribution agent agreement with a winery in the United States in March 2013 and had contacted other wineries in the United States as their sole distributor in the PRC. The e-commerce platform is expected to be launched in July 2013. No contribution from this segment was recorded for the Current Year.

**Gold Mine**

Upon completion of the disposal of 70% interest of the Gold Mine in the Republic of Kyrgyz to China Gold Group on 5 June 2012, our investment in the Gold Mine was recorded as associated companies. The value of our 30% interest in the Gold Mine was assessed on the completion date of the disposal with a fair value of HK\$56,648,000.

On 15 January 2013, China CAMC Engineering Co., Ltd. ("CAMC") was introduced as a business partner of this project through acquisition of 16% interest of the Gold Mine from China Gold Group and such transaction was completed in May 2013. CAMC is one of the pioneer investors in the Republic of Kyrgyz. With its strong international project management experience and good relationship with the local government and community, CAMC can help to manage the operation of the Gold Mine.

After numerous meetings to discuss and communicate with the resource department of the government of the Republic of Kyrgyz, the feasibility report was approved in April 2013. Temporary electric supply and temporary operation center was set up in the mining site. The design of the exploration plan for the Gold Mine is now in progress. After that, the construction of the infrastructure for the exploration of the Gold Mine will be commenced. The commercial production of the Gold Mine is expected to be commenced in early 2015.

During the year, the Group shared HK\$2,567,000 of loss in the Gold Mine which represent mainly salaries and professional fees incurred.

**FINANCIAL REVIEW**

**Finance position and liquidity**

As at 31 March 2013, the total assets and liabilities of the Group stood at HK\$285,669,000 and HK\$4,254,000 respectively. Non-current assets amounted to HK\$56,716,000 comprised mainly the investment in associated companies, which represented our interest in the Gold Mine in the Republic of Kyrgyz, and furniture and office equipment. Current assets amounted to HK\$228,953,000 which comprised mainly deposits, prepayment and other receivables, financial assets at fair value through profit or loss and bank balance and cash. Current liabilities amounted to HK\$4,254,000 which comprised mainly accruals and other payables. There was no long-term loan and borrowing as at 31 March 2013.

The Group recorded net current assets of HK\$224,699,000 as at 31 March 2013 (31 March 2012: HK\$98,384,000) and the current ratio was 53.82 (31 March 2012: 2.40). The significant improvement of the net current assets and current ratio was mainly deal to increase in cash and bank balances as a result of the disposal of the Park Wealth Group and 70% Gold Mine and decrease of trade and other payables, deferred income and other liabilities as a result of disposal of the Park Wealth Group.

The bank balances as at 31 March 2013 was HK\$214,642,000 (31 March 2012: HK\$37,903,000), of which most were denominated in Hong Kong dollars, US dollars and Renminbi.

### **Gearing ratio**

The gearing ratio of the Group, which was expressed as a percentage of total borrowings to equity attributable to shareholders, as at 31 March 2013 was 0% (31 March 2012: 76.13%). The zero gearing ratio recorded because the borrowings and an amount due to a director of a former subsidiary recorded in Park Wealth Group were disposed of and no new loan was borrowed by the Group during the Current Year.

### **Financial resources**

The Group currently finances its operations mainly by internally generated funds. The management believes that the Group will generate its liquidity from business operations and will consider making use of further equity financing when necessary.

### **Capital structure**

36,000,000 shares and 15,512,918 shares of Ordinary Shares of the Company were issued on 5 September 2012 and 27 March 2013 respectively upon the conversion of the Non-voting Convertible Preference Shares. As at 31 March 2013, the Group had issued 18,875,948,078 shares (31 March 2012: 18,824,435,160 shares) of Ordinary Shares and 163,124,242 shares (31 March 2012: 214,637,160 shares) of Non-voting Convertible Preference Shares. The equity attributable to shareholders of the Company as at 31 March 2013 was HK\$270,258,000 (31 March 2012: HK\$50,839,000) and the increment was mainly due to the gains from disposal of Park Wealth Group and 70% interest in Gold Mine recorded in the Current Year.

### **Charges on assets**

As at 31 March 2013, the Group had no charge on assets (31 March 2012: Nil).

### **Contingent liabilities**

As at 31 March 2013, the Group had no contingent liabilities (31 March 2012: Nil).

### **Foreign exchange exposure**

As part of the Group's assets and liabilities are denominated in Renminbi, US dollars and Hong Kong dollars, in order to minimize the foreign exchange risk, the Group aims to utilize the fund for transactions that are denominated in the same currency.

## **EMPLOYMENT AND REMUNERATION POLICY**

As at 31 March 2013, the Group had approximately 8, 1 and 33 employees in Hong Kong, the Republic of Kyrgyz and the PRC respectively. The employees' salaries are reviewed and adjusted annually based on their performance and experience. The Group's employee benefits include performance bonus, medical scheme, mandatory provident fund for Hong Kong employees, social insurance packages for the PRC employees and education subsidy to encourage continuous professional development of staff. The Group also has a discretionary share option scheme which is designed to award employees for their performance. No share option was granted during the Current Year and there were 66,000,000 share options granted to the directors and employees of the Group as at 31 March 2013.

## **FUTURE PLAN AND PROSPECTS**

The consultancy services business is expected to have a very good prospect and potential in view of the booming economy of the PRC. More and more enterprises in the PRC look for quality advisory services such as project identification, assessment, business information analysis on potential investments and enterprise and project management strategy in recent years. United Fujian, with teams of outstanding professionals in business management, accounting and finance, investment, business development and information technology, has the competitive advantage and is expected to benefit from this trend.

Apart from the business consultancy services, United Fujian also engaged in sourcing of construction materials in Current Year. United Fujian has the channels and qualifications to engage in the promotion and sale of international and domestic branded products in the PRC. With the completion of the large-scale outlet projects of its existing clients, United Fujian will expand its scope of business and income source through sourcing of branded products for the shopping outlets of the clients in the future.

The development of the red wine e-commerce platform is expected to be one of the major projects of the Group in the coming year. Although the PRC government had announced tight policy to control the consumption of luxury goods for the officials, we anticipate that there is no significant impact on us as our major target customers are large corporate and the middle class in the PRC who are looking for and enjoy quality lifestyle. The products will cover a wide range of price and satisfy different customers.

For the Gold Mine in the Republic of Kyrgyz, with China Gold Group and CAMC, who have the strong background and experience in project management and expertise in the relevant industry, as business partners, it is expected that the project will develop in a smoother peace. Although there was price fluctuation in gold price recently, in view of the high demand of the precise metal in the world, the management believe that this investment can generate lucrative return in near future.

The management promises that the resources of the Group will be properly managed and utilized. We will continue to seize any opportunity to identify potential business opportunity to diversify the business scope in order to maximize the value of the Group and return for our shareholders.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES**

The Company has not redeemed any of its securities during the year ended 31 March 2013, neither the Company nor any of its subsidiaries has purchased or, sold any of the Company's securities during the year.



## **AUDIT COMMITTEE**

The audit committee of the Company (the “Audit Committee”) was established in compliance with Rule 3.21 and 3.22 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with written terms of reference in compliance with the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as set out in Appendix 14 to the Listing Rules. The Audit Committee comprises three independent non-executive Directors, namely Mr. Yap Yung (chairman), Dr. Lam Man Kit, Dominic and Mr. Zhang Guang Sheng.

The Audit Committee has reviewed with directors the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters, including a review of the annual results, related to the preparation of the 2013 annual report.

## **SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group’s consolidated balance sheet, consolidated income statement and related notes thereto for the year ended 31 March 2013 as set out in the preliminary announcement have been agreed by the Group’s auditor, Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Deloitte Touche Tohmatsu on the preliminary announcement.

## **CORPORATE GOVERNANCE PRACTICES**

The Board believes that good corporate governance can enhance the value of the Company and safeguard the interests of its shareholders and commits to maintain high standards of corporate governance practices. The Board and the management of the Company have been continually reviewing its corporate governance practices with reference to the principles and the code provisions of the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) to ensure compliance with the CG Code.

For the year ended 31 March 2013, the Company has complied with the CG Code save as the following deviations:

In respect of code provision A.2.1 of the CG Code, Mr. Yuen Leong currently serves the role of chairman of the Board and the chief executive officer of the Company. Since the role of chief executive officer/general manager of the Company’s major operating subsidiaries are directly accountable to the Board, the Board believes that the existing arrangement is adequate.

In respect of code provision A.6.5 of the CG Code, not all Directors attended training sessions provided by professional bodies. The Directors consider that briefings and reading of the regulatory updated materials received from the Company Secretary are sufficient for them to render their contribution to the Board.

In respect of code provision A.6.7 of the CG Code, Independent non-executive Director should attend general meetings. Dr. Lam Man Kit, Dominic and Mr. Zhang Guang Sheng did not attend the general meetings due to other business engagements.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiry of all Directors and all the Directors have complied with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions during the year.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This announcement is published on the website of the Company ([www.chaoyuehk.com](http://www.chaoyuehk.com)) and the designated issuer website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2013 annual report of the Company will be dispatched to the shareholders of the Company and available on the above websites in due course.

## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to express our appreciation to the continuous support of our shareholders and hard work and dedication of all our staff over the past year.

For and on behalf of the Board  
**Chaoyue Group Limited**  
**Yuen Leong**  
*Executive Director*

Hong Kong, 14 June 2013

*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.*