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If you have sold or transferred all your shares of Chaoyue Group Limited, you should at once hand this circular to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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CHAOYUE GROUP LIMITED

超越集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00147)

PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTION OF DIRECTORS, AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting (“AGM”) of Chaoyue Group Limited (the “Company”) to be held at Room 2310, 23rd Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong on Thursday, 8 September 2016 at 11:00 a.m. is set out on pages 12 to 15 in this circular. A form of proxy for use at the AGM is enclosed. If you are unable to attend the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s principal place of business in Hong Kong at Room 2310, 23rd Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish and in such event, the instrument appointing the proxy shall be deemed to be revoked.

22 July 2016

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“2016 Annual Report”	the audited consolidated financial statements and the reports of the Directors and of the auditor of the Company for the year ended 31 March 2016
“AGM”	the annual general meeting of the Company to be convened and held at Room 2310, 23rd Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong on Thursday, 8 September 2016 at 11:00 a.m.
“Board”	the Company’s board of Directors
“Business Day”	a day on which banks in Hong Kong are open for general business other than a Saturday or Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon
“Bye-law(s)”	the bye-law(s) of the Company in force from time to time
“Companies Act”	the Companies Act 1981 of Bermuda
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Chaoyue Group Limited, a company incorporated in Bermuda with limited liability, with its Shares listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Issue Mandate”	the proposed general mandate granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution approving the said mandate
“General Repurchase Mandate”	the proposed general and unconditional mandate granted to the Directors to repurchase shares in the capital of the Company up to 10% of the aggregate nominal amount of the issued and fully paid share capital of the Company as at the date of passing of the resolution granting such mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	19 July 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning as defined in the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD

CHAOYUE GROUP LIMITED

超越集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00147)

Executive Directors:

Mr. Yuen Leong

Ms. Luan Li

Independent non-executive Directors:

Dr. Lam Man Kit, Dominic

Mr. Yap Yung

Mr. Zhang Guangsheng

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place
of business in Hong Kong:*

Room 2310, 23rd Floor

China Resources Building

26 Harbour Road

Wan Chai

Hong Kong

22 July 2016

To the Shareholders

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES, RE-ELECTION OF DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the information in relation to the resolutions to be proposed at the AGM, among the other things, (i) the grant of the General Issue Mandate, the General Repurchase Mandate and the extension of the General Issue Mandate to include Shares repurchased pursuant to the General Repurchase Mandate, (ii) the re-election of Directors. These resolutions will be proposed at the AGM and are set out in the notice of AGM as contained in this circular. Your approval of the resolutions relating thereto is therefore sought.

GENERAL ISSUE MANDATE

At the annual general meeting of the Company held on 21 August 2015, a general mandate was given to the Directors to issue new Shares and such mandate will lapse at the conclusion of the forthcoming AGM. An ordinary resolution will be proposed at the AGM for the purpose of renewing the existing share issue mandate granted to Directors to allot, issue

LETTER FROM THE BOARD

and otherwise deal with the Shares. The share issue mandate is subject to a limit equal to 20% of the aggregate nominal amount of the issued Shares of the Company at the date of passing such resolution. On the basis that no Shares are issued or repurchased prior to the AGM, the Company would be allowed to allot, issue and deal with a maximum of 3,807,814,464 further new Shares.

GENERAL REPURCHASE MANDATE

At the annual general meeting of the Company held on 21 August 2015, a general mandate was given to the Directors to exercise all the powers of the Company to repurchase its own Shares and such mandate will lapse at the conclusion of the forthcoming AGM. An ordinary resolution will be proposed at the AGM for the purpose of renewing the existing share repurchase mandate granted to the Directors to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued and fully paid up share capital of the Company as at the date of passing such resolution. An explanatory statement containing all relevant information relating to the proposed General Repurchase Mandate is set out in Appendix I to this circular.

EXTENSION OF GENERAL ISSUE MANDATE TO ISSUE SHARES REPURCHASED UNDER THE GENERAL REPURCHASE MANDATE

Subject to the passing at the AGM of the proposed resolutions regarding the General Issue Mandate and the General Repurchase Mandate, an ordinary resolution will be proposed at the AGM to approve the extension of the 20% share issue mandate by adding to the General Issue Mandate the number of shares that may be repurchased under the General Repurchase Mandate.

The General Issue Mandate and General Repurchase Mandate will come into force at the date of passing such resolutions proposed at the AGM and continue in force until whichever is the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-laws to be held; and (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in the above resolutions. With reference to the General Issuance Mandate and the General Repurchase Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

For details of the proposed resolutions, Shareholders are referred to the notice of the AGM which is set out on pages 12 to 15 in this circular. With reference to these resolutions, the Board wishes to state that it has no immediate plan to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

RE-ELECTION OF DIRECTORS

Pursuant to the Bye-law 87, Mr. Yap Yung and Mr. Zhang Guangsheng, shall retire and being eligible, offer themselves for re-election. The biographical details and interests in the Shares of the retiring Directors are provided in Appendix II to this circular.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

For the purpose of compliance with Rule 13.39(4) of the Listing Rules, the Company will procure the Chairman of the AGM to demand for a poll for the ordinary resolutions put to the vote of the AGM in accordance with the Bye-laws, and the results of the poll will be published on the websites of the Company and the Stock Exchange after the AGM. The AGM Notice is set out on pages 12 to 15 of this circular. A form of proxy for use at the AGM is also enclosed. Whether or not you are able to attend and vote at the AGM, you are requested to read the notice and to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's principal place of business in Hong Kong located at Room 2310, 23rd Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the resolutions referred in this circular and the AGM Notice are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend Shareholders to vote in favour of all the resolutions set out in the AGM Notice.

Yours faithfully,
For and on behalf of the Board
Chaoyue Group Limited
Yuen Leong
Executive Director

This is an explanatory statement given to all Shareholders relating to ordinary resolution to be proposed at the AGM authorising the General Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date the issued and fully paid up share capital of the Company comprised 19,039,072,320 Shares.

Exercised in full of the General Repurchase Mandate, if so approved, on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the approval of the General Repurchase Mandate, the Company would be allowed under the repurchase resolution to repurchase a maximum of 1,903,907,232 Shares during the period from the date on which such resolution is passed until the date of (i) conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any application laws of Bermuda to be held; or (iii) the revocation, variation or removal of the General Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting, whichever occurs first, representing not more than 10% of the issued Shares of the Company as at the Latest Practicable Date.

2. REASONS FOR THE REPURCHASE

Although the Directors have no present intention of repurchasing any Shares, they believe that the flexibility afforded by the repurchase proposal would be beneficial to the Company and Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share of the Company and will only be made when the Directors believe that such a purchase will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

Repurchases must be funded out of funds which are legally available for the purpose in accordance with the Company's constitutional documents and the laws of the jurisdiction in which the Company is incorporated.

Repurchase of Shares will be funded from the Company's available cash flow or working capital facilities, and will, in any event, be made out of funds legally available for such purposes in accordance with the Bye-laws, the Listing Rules and the laws of Bermuda. The Company is empowered by its Bye-laws to purchase its Shares. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of the capital paid up on the relevant Shares, or from the profits that would otherwise be available for distribution by way of dividend, or from the proceeds of a new issue of shares made for the

purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the Company's share premium account or contributed surplus account.

On the basis of the current financial position of the Group as disclosed in the 2016 Annual Report and taking into account the current working capital position of the Group, the Directors consider that, if the General Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Group as compared with the position disclosed in the 2016 Annual Report. However, the Directors do not propose to exercise the General Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing level which in the opinion of the Directors are from time to time appropriate for the Group.

4. SHARE PRICES

The highest and lowest prices at which the Shares had been traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
July	0.530	0.350
August	0.470	0.375
September	0.900	0.380
October	0.800	0.540
November	0.680	0.520
December	0.750	0.560
2016		
January	0.610	0.390
February	0.620	0.415
March	0.510	0.460
April	0.600	0.435
May	0.590	0.500
June	0.650	0.520
July (up to Latest Practicable Date)	0.53	0.50

5. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make purchases of the Shares pursuant to the General Repurchase Mandate only in accordance with the Listing Rules, the Bye-laws of the Company and the applicable laws of Bermuda.

6. DIRECTORS' DEALINGS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) have any present intention, in the event that the General Repurchase Mandate is approved by the Shareholders, to sell any securities to the Company or its subsidiaries.

7. CONNECTED PERSONS

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell securities to the Company nor has undertaken not to do so, in the event that the Company is authorised to make purchases of Shares upon General Repurchase Mandate is approved by the Shareholders.

8. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the General Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and, depending on the level of increase of the Shareholder's interest, may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

The shareholding structure of the Company as at the Latest Practicable Date and the shareholding structure of the Company upon full exercise of the General Repurchase Mandate are set out below:

	As at the Latest Practicable Date		Immediately after full exercise of the General Repurchase Mandate	
	Number of issued Shares held	Percentage of issued share capital of the Company	Number of issued Shares held <i>(Note (2))</i>	Percentage of issued share capital of the Company <i>(Note (2))</i>
Controlling Shareholder				
Long Grand Limited <i>(Note (1))</i>	12,887,473,880	67.69%	12,887,473,880	75.21%
Public Shareholder	<u>6,151,598,440</u>	<u>32.31%</u>	<u>4,247,691,208</u>	<u>24.79%</u>
	<u>19,039,072,320</u>	<u>100.00%</u>	<u>17,135,165,088</u>	<u>100.00%</u>

Notes:

- (1) Long Grand Limited is legally and beneficially owned as to 70% by Mr. Yam Yu and as to 30% by Mr. Yuen Leong.
- (2) Presuming that (i) the issued share capital of the Company remained at 19,039,072,320 Shares immediately before the full exercise of the General Repurchase Mandate; and (ii) the shareholdings of the controlling shareholder as set out in the above table remained unchanged immediately before the full exercise of the General Repurchase Mandate. On this basis, the total issued share capital of the Company immediately after the full exercise of the General Repurchase Mandate would be 17,135,165,088 Shares.

If the General Repurchase Mandate is exercise in full, the shareholding of Long Grand Limited will increase to approximately 75.21%. Such increase in shareholding will not give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors have no present intention to exercise the General Repurchase Mandate to such extent as would result in the number of shares in the hands of public falling below the prescribed minimum percentage of 25%.

The Directors will exercise the powers conferred by the General Repurchase Mandate to repurchase Shares in circumstances, which they deem appropriate for the benefits of the Company and the Shareholders as a whole.

9. SHARE PURCHASE MADE BY THE COMPANY

No purchase has been made by the Company of its Shares (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date.

The particulars of the retiring Directors proposed to be re-elected at the AGM are set out below:

Mr. Yap Yung (“Mr. Yap”)

Mr. Yap Yung, aged 42, was appointed as an independent non-executive Director of the Company on 20 August 2009. Mr. Yap graduated from the University of Hong Kong in 1995 with a Bachelor’s degree in mechanical engineering. He became a member of the Hong Kong Institute of Certified Public Accountants since 1999. He has also completed an advanced management course held by the London Business School and the University of Cambridge in 2003. Mr. Yap has over 10 years of corporate finance and audit experience gained from his previous employment. Mr. Yap was employed by PricewaterhouseCoopers as an audit manager from 1995 to 2002.

Save as disclosed in this circular, Mr. Yap did not have any directorship in any other listed public companies in the last three years.

Mr. Yap does not have any relationship with any director, senior management or substantial or controlling shareholders of the Company and does not have any interest in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

In accordance with the Bye-laws, Mr. Yap will hold office until the next annual general meeting and will then be eligible for re-election; thereafter he will retire by rotation and will be eligible for re-election provided that he shall be subject to retirement at least once every three years. Mr. Yap receives a director’s fee of HK\$200,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Mr. Yap shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company.

Save as disclosed above, Mr. Yap has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

Mr. Zhang Guangsheng (“Mr. Zhang”)

Mr. Zhang Guangsheng, aged 66, was appointed as an independent non-executive Director of the Company on 20 August 2009. Mr. Zhang graduated from 山東礦業學院 (Shandong Mining Institute*) in 1975 majored in coal mining. Since graduation, he taught in 福建省煤炭工業學校 (Fujian Provincial Institute of Coal and Charcoal Industry*) till 1980. Since 1980, Mr. Zhang has served various posts with the PRC government. From 1985 to 1998, Mr. Zhang worked in 福建省人民政府辦公廳 (Fujian Provincial Government*). During 1998 to 2000, Mr. Zhang was the managing director and vice general manager of 福建中旅集團 (Fujian CTS Group*). Since 2000, Mr. Zhang is the assistant managing officer of 福建省口岸海防辦 (the Office of the Port Opening and Coastal Defense of Fujian Province*).

Save as disclosed in this circular, Mr. Zhang did not have any directorship in any other listed public companies in the last three years.

Mr. Zhang does not have any relationship with any director, senior management or substantial or controlling shareholders of the Company and does not have any interest in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

In accordance with the Bye-laws, Mr. Zhang will hold office until the next annual general meeting and will then be eligible for re-election; thereafter he will retire by rotation and will be eligible for re-election provided that he shall be subject to retirement at least once every three years. Mr. Zhang receives a director’s fee of HK\$200,000 per annum which is determined by the Board with reference to his experience, duties and responsibilities, and to prevailing market conditions. Mr. Zhang shall also be entitled to discretionary bonus, share options under the share option scheme of the Company and other incentives as determined by the remuneration committee of the Company from time to time with reference to the remuneration policy of the Company.

Save as disclosed above, Mr. Zhang has confirmed that there is no other matter that needs to be brought to the attention of the Shareholders in connection with his re-election and there is no other information that should be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

* *The English translation of the name is for identification purpose only.*

NOTICE OF ANNUAL GENERAL MEETING

CHAOYUE GROUP LIMITED

超越集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00147)

NOTICE IS HEREBY GIVEN that the annual general meeting of Chaoyue Group Limited (the “Company”) will be held at Room 2310, 23rd Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong on Thursday, 8 September 2016 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 March 2016;
2. (a) To re-elect Mr. Yap Yung as an independent non-executive director of the Company;
- (b) To re-elect Mr. Zhang Guangsheng as an independent non-executive director of the Company;
- (c) To authorize the board of directors of the Company to fix the directors’ remuneration;
3. To re-appoint Deloitte Touche Tohmatsu as the auditors of the Company and to authorize the board of directors of the Company to fix their remuneration; and

by way of special business, to consider and, if thought fit, pass with or without modifications, the following resolutions:

ORDINARY RESOLUTIONS

4. **“THAT:**
 - (i) subject to sub-paragraph (iii) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period of all the powers of the Company to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (ii) the approval in (i) above shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
 - (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval contained in sub-

NOTICE OF ANNUAL GENERAL MEETING

paragraph (i) of this Resolution, otherwise than pursuant to (a) a Rights Issue (as defined below); (b) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (c) an issue of shares under any share option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries, shall not exceed 20 per cent. of the nominal amount of the issued share capital of the Company on the date of this Resolution and this approval shall be limited accordingly; and

(iv) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required, by the bye-laws of the Company or any applicable laws, to be held; and
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of share open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

5. **“THAT:**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to repurchase issued shares in the capital of the Company subject to and in accordance with all applicable laws and the Bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of the share capital which the Company is authorized to repurchase pursuant to the approval in paragraph (i) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required, by the Bye-laws of the Company or any applicable laws, to be held; and
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. “**THAT** conditional upon the passing of the Resolutions numbered 4 and 5 as set out in this notice being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue or otherwise deal with the Shares pursuant to Resolution 4 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the directors of the Company pursuant to such general mandate, of an amount representing the aggregate nominal amount of the share capital of the Company which are repurchased by the Company under the authority granted pursuant to Resolution numbered 5 above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

By Order of the Board
Chaoyue Group Limited
Yuen Leong
Executive director

Hong Kong, 22 July 2016

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*
Room 2310, 23rd Floor
China Resources Building
26 Harbour Road
Wan Chai
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy or, if he is a holder of more than one share, more than one proxy in respect of the whole or any part of his holding of shares to attend and vote in his stead. A proxy need not be a member of the Company.
- (ii) In order to be valid, the form of proxy, together with any power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or other authority, must be deposited at the principal place of business of the Company located at Room 2310, 23rd Floor, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong, not less than 48 hours before the time for holding of the meeting or adjourned meeting thereof.
- (iii) Where there are joint registered holders of any ordinary share of the Company, any one of such holders may vote at the meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such holders be present at the meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iv) The register of members of the Company will be closed from Tuesday, 6 September 2016 to Thursday, 8 September 2016, both days inclusive, during which period no transfer of shares will be effected. In order to ascertain the right to attend the meeting, all share transfers, accompanied by the relevant share certificates must be lodged with the Company's branch registrars, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 5 September 2016.

As at the date of this notice, 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.