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## CHAOYUE GROUP LIMITED

### 超越集團有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 00147)**

## HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 3 September 2012.

**In view of the high concentration of shareholding in a small number of Shareholders, and that the bulk of the Shares are kept outside CCASS, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the concentration of the shareholding of Chaoyue Group Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 3 September 2012.

The Company noted that an announcement (the “**SFC Announcement**”) has been published by Securities and Futures Commission (the “**SFC**”) on 12 September 2012. As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. Its findings suggested that, as at 3 September 2012, 8 Shareholders held an aggregate of 5,000,000,000 ordinary shares of HK\$0.001 each in the share capital of the Company (the “**Shares**”), representing approximately 26.56% of the issued Shares. Such shareholding, together with 12,887,473,880 Shares held by the substantial Shareholder, namely, Long Grand Limited (representing 68.46% of the issued Shares), represented approximately 95.02% Shares held by the 9 Shareholders, together with an additional 1.11% Shares held by other Shareholders (or 208,546,530 Shares) were kept outside Central Clearing and Settlement System (“**CCASS**”), leaving only 3.87% (or 728,414,750 Shares) in CCASS, which suggested only a limited amount of Shares were readily available for trading on the market.

As disclosed in the SFC Announcement, as at 3 September 2012, the shareholding structure of the Company was as follows:

	<b>Number of Shares held</b> <i>(Shares)</i>	<b>% of total number of issued Shares</b> <i>(%)</i>
Long Grand Limited (Note)	12,887,473,880	68.46
A group of 8 Shareholders	5,000,000,000	26.56
Other Shareholders	936,961,280	4.98
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Total	<u>18,824,435,160</u>	<u>100.00</u>

*Note:* Long Grand Limited is a company beneficiary owned as to 70% by Mr. Yam Yu and as to 30% by Mr. Yuen Leong. Mr. Yuen Leong is an executive director of the Company.

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to clarify that the above information is extracted from the SFC Announcement and the Company is not in a position to comment on its accuracy. To the Directors’ best knowledge having made all reasonable enquiries, the Company confirms that the group of 8 Shareholders which was mentioned in the SFC Announcement are independent of and not connected or acting in concert with (i) the directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates; or (ii) Long Grand Limited, Mr. Yam Yu, Mr. Yuen Leong, an executive Director, and parties acting in concert with any of them.

It was disclosed in the SFC Announcement that trading in the Shares was suspended on 25 June 2012 and resumed on 30 July 2012. During the suspension period, the Company announced a very substantial disposal regarding the proposed selling of its entire issued share capital of its wholly-owned subsidiary, namely, Park Wealth International Limited (“**Park Wealth**”), for HK\$78.5 million. Upon trading resumption on 30 July 2012, price of the Shares increased 10.8% from the pre-suspension closing price of HK\$0.176 to close at HK\$0.195. Since then, price of the Shares continues to rise and reached a high of HK\$0.720 on 5 September 2012, representing an increase of 269.2% from its closing price of HK\$0.195 on 30 July 2012. Price of the Shares closed at HK\$0.620 on 11 September 2012 but still represented an increase of 218.0% from its closing price of HK\$0.195 on 30 July 2012.

During the period from 30 July 2012 to 11 September 2012, other than the announcements in relation to the disposal of Park Wealth, the Company had, on 20 August 2012, stated that it was in preliminary discussions with different independent third parties regarding potential acquisition opportunities which may or may not materialize.

## **PUBLIC FLOAT**

Based on the information available and to the Directors’ best knowledge after making all reasonable enquiries, as at 3 September 2012 and the date of this announcement, Long Grand Limited (being a controlling Shareholder) held and still holds 12,887,473,880 Shares, representing approximately 68.46% of the issued Shares. Based on the above and to the Directors’ best knowledge after making all reasonable enquiries, the Company confirms that not less than 25% of the number of issued Shares is held in public hands as at the date of this announcement and the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on the Stock Exchange.

**In view of the high concentration of shareholding in a small number of Shareholders, and that the bulk of the Shares are kept outside CCASS, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.**

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

Hong Kong, 12 September 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.*