

CHAOYUE GROUP LIMITED

超越集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 00147)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the unaudited interim results of the Group for the six months ended 30 September 2008 is expected to record a loss compared to a net profit of approximately HK\$6.5 million for the corresponding period ended 30 September 2007, subject to the finalisation of the management accounts of the Group.

Potential investors and shareholders of the Company should exercise caution when dealing in the shares of the Company.

This announcement is made by Chaoyue Group Limited (the “**Company**”, together with its subsidiaries shall be referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

After preliminary review by the Company’s management based on the management accounts of the Group and information currently available to the board of directors (the “**Board**”) of the Company, the Board wishes to inform shareholders of the Company and potential investors that the unaudited interim results of the Group for the six months ended 30 September 2008 is expected to record a loss compared to a net profit of approximately HK\$6.5 million for the corresponding period ended 30 September 2007, subject to the finalisation of the management accounts of the Group.

Such downturn was mainly attributable to a decrease in the Group’s turnover during the period due to the reduction in the number of orders from the Group’s customer in the United States, the significant appreciation in Renminbi which had caused an escalation in the costs of sales and overhead of the Group’s operation in China, as well as the increase in other operating costs of the Group.

The Board confirms that the Group had not made any investments in financial instruments and did not record any loss on investments in financial instruments during the six-month period ended 30 September 2008.

The information contained in this announcement is only a preliminary estimate performed by the management of the Company and is not based on any figures or information audited or reviewed by the Company's auditors. As the financial statements for the period ended 30 September 2008 have not been finalised, the Company's interim results are not yet available. The detailed financial information will be published in the forthcoming 2008 interim report of the Company, which is due to be released before end of December 2008.

Potential investors and shareholders of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 13 November 2008

As at the date of this announcement, the Board comprises Mr. Yuen Leong as executive Director; and Ms. Chen Ye, Mr. Chan Wai Dune and Dr. Lam Man Kit, Dominic as independent non-executive Directors.