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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

Reference is made to the announcement of Chaoyue Group Limited dated 20 October 2008 (the “Announcement”) in relation to the major transactions regarding the provision of financial assistance to and the acquisition of the entire issued share capital of Park Wealth International Limited. Terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

As mentioned in the Announcement, the Agreements and the transactions contemplated thereunder, including the issue of the Convertible Preference Shares and the Conversion Shares, and the provision of the Facility, are subject to the approval of the Shareholders at the special general meeting. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder is required to abstain from voting to approve the Acquisition and the provision of the Facility. Long Grand, which is beneficially interested in approximately 74.55% of the total issued Shares, has given written consent to the Acquisition and the provision of the Facility on 14 October 2008. In the process of preparing the circular for the Acquisition and the provision of financial assistance, the Board was informed that a qualified opinion on the results of the Shanghai Comfort Group for the period from 23 September 2005 (date of establishment) to 31 December 2005 and each of the two years ended 31 December 2006 and 2007 will be issued by the reporting accountants due to the fact that the Shanghai Comfort Group did not carry out physical count of its inventories as at 31 December 2005 and 2006 and there were no practicable alternative audit procedures that the reporting accountants could apply to verify the existence and condition of the inventories of the Shanghai Comfort Group at the aforesaid dates. Pursuant to Rules 14.67(6)(a)(i) and 14.86 of the Listing Rules, where the reporting accountants can only give a qualified opinion in the accountants’ report in respect of the acquisition of the business, company or companies, for example because the records of stock or work-in-progress are inadequate, the Stock Exchange will not accept a written shareholders’ approval for the transaction, but will require a general meeting to be held to consider the transaction. In the circumstances, a general meeting of the Company will be held for the approval of the Acquisition and the provision of the Facility despite a written consent from Long Grand has been obtained. A notice of the special general meeting will be given by the Company in due course.

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

Hong Kong, 14 January 2009

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.