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## **CHAORYUE 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 results of the Group for the year ended 31 March 2009 is expected to record a loss compared to a net profit of approximately HK\$12.2 million for the previous financial year ended 31 March 2008.

**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, 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”).

The board of directors (the “Board”) of Chaoyue Group Limited (the “Company”, together with its subsidiaries, the “Group”) wishes to inform shareholders of the Company and potential investors that based on preliminary assessment of the management accounts of the Group and information currently available to the board of directors (the “Board”) of the Company, the results of the Group for the year ended 31 March 2009 (the “Yearly Results”) is expected to record a loss compared to a net profit of approximately HK\$12.2 million for the previous financial year ended 31 March 2008, subject to the finalization by the Company’s auditors.

As disclosed in the announcement of the Company dated 13 November 2008, there was a decrease in the Group’s turnover during the six months ended 30 September 2008 as compared to the corresponding period in 2007 due to the reduction in orders from the Group’s customers in the United States, as well as the significant appreciation in Renminbi which had caused an escalation in the costs of sales and other operating costs of the Group. Such factors have continued to affect the Group in the second half of the financial year and adversely affected the Group’s overall results for the full financial year ended 31 March 2009. In addition, the subsidiaries acquired by the Group in February 2009 which are engaged in the manufacturing and leasing of direct drinking water machines and production and installation of air and water purification equipment and system have not made positive contribution to the Group.

The information contained in this announcement is only based on the preliminary assessment by the Board in accordance with the management accounts of the Group. The Company is still in the process of finalising the Yearly Results.

**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, 4 June 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.*