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## **CHAOYUE GROUP LIMITED**

**超越集團有限公司**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 00147)

## **PROFIT WARNING**

This statement 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 further to those set out in the interim report of the Company relating to the Group's Interim Results, the annual results of the Group for the year ended 31 March 2010 is expected to continually affected by the loss derived from the change in the fair value of warrants issued as a result of exercise of convertible bonds during the interim period, and the Group is therefore expected to record a very significant loss for the year ended 31 March 2010 as compared to the audited results reported for the corresponding period in 2009.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made by Chaoyue Group Limited (the "Company") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Reference is made to the interim results of the Group for the six months ended 30 September 2009 (the "Interim Results") and issued on 23 December 2009.

As set out in the Interim Results, the Group recorded a substantial loss for the six months ended 30 September 2009 which was mainly due to the change of fair value of warrants issued as a result of exercise of convertible bonds during the interim period.

The board of directors (the “Board”) of the Company wishes to inform the 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 the Company, the results of the Group for the year ended 31 March 2010 (the “Yearly Results”) is expected to be continually affected by the loss derived from the change of fair value of warrants issued as a result of exercise of convertible bonds during the interim period, and the Group is therefore expected to record a very significant loss for the year ended 31 March 2010 as compared to the audited results reported for the corresponding period in 2009. The Board considers that the change in fair value of the warrants is a non-cash item, it will not have an impact on the operating cash flows of the Group.

This announcement is only a preliminary assessment by the management of the Company based on its consolidated management accounts of the Group which have not been reviewed by the auditor and Audit Committee of the Company. Details of the Group’s performance will be disclosed as and when the Yearly Results for the financial year ended 31 March 2010 are announced.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 30 April 2010

*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.*