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CHINESE FOOD AND BEVERAGE GROUP LIMITED

華人飲食集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8272)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record an increase in loss for the financial year ended 30 April 2012 as compared with the audited loss for the year ended 30 April 2011.

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

This announcement is made by Chinese Food and Beverage Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record an increase in loss for the financial year ended 30 April 2012 as compared with the audited loss for the year ended 30 April 2011. Based on the information currently available, the increase in loss is mainly due to the loss on the possible impairment of the convertible note receivable and the loan receivable for the amount of approximately HK\$36 million and HK\$30 million, respectively, and the cease to share the results of an associate which had been classified as assets held for sale during the year ended 30 April 2011. Despite the loss, the Board considers that the financial position of the Company remains solid.

The Company is in the process of finalizing its consolidated financial results for the financial year ended 30 April 2012. As such, information contained in this announcement is only based on a preliminary assessment by the management of the Company and has not been confirmed nor audited by the Company's auditors. The audited consolidated financial results for the financial year ended 30 April 2012 will be disclosed in the Company's 2012 annual report which shall be published in due course.

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

By order of the Board
CHINESE FOOD AND BEVERAGE GROUP LIMITED
Yu Sau Lai
Executive Director

Hong Kong, 10 July 2012

As at the date of this announcement, Ms. Yu Sau Lai and Mr. Too Shu Wing are executive directors of the Company; and Mr. Orr Joseph Wai Shing and Mr. Lam Raymond Shiu Cheung are independent non-executive directors of the Company.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and that there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the Growth Enterprise Market website at www.hkgem.com for at least seven days from the date of its publication and the Company's website at www.cfbgroup.com.hk.