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CHAORYUE GROUP LIMITED **超越集團有限公司**

(Incorporated in Bermuda with limited liability)

(Stock code: 00147)

HIGH CONCENTRATION OF SHAREHOLDINGS

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 5 October 2009.

In view of the concentration of the Company's shareholding in small number of Shareholders and that the bulk of the Shares are kept outside CCASS, shareholders of the Company and potential investors are advised to exercise extreme caution when dealing in the Shares.

The announcement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in respect of the concentration of the shareholdings of Chaoyue Group Limited (the "Company") in the hands of a limited number of shareholders of the Company (the "Shareholders") as at 5 October 2009.

Reference is made to (i) the circular of the Company dated 5 December 2007 (the "Circular"); and (ii) the announcement of the Company dated 14 May 2009. Unless the context herein otherwise requires, capitalized terms used in this announcement have the same meanings as defined in the Circular.

The Company noted that an announcement (the "SFC Announcement") has been published by the Securities and Future Commission (the "SFC") on 7 October 2009 which stated that, among other things, the SFC had completed an enquiry into the shareholdings of the Company. The findings of the SFC suggested that, as at 5 October 2009, 8 shareholders held an aggregate of 4,000,000,000 Shares, representing approximately 22.53% of the issued Shares. Such shareholding, together with 12,887,473,880 Shares held by the substantial shareholder, namely, Long Grand Limited (representing 72.60% of the issued Shares), represented approximately 95.13% of the issued Shares as at 5 Oct 2009. Thus, only approximately 4.87% of the issued Shares were held by other investors. Furthermore, these 95.13% Shares held by the 9 shareholders, together with an additional 0.76% Shares held by other shareholders (or 135,444,640 Shares) were kept outside Central Clearing and Settlement System ("CCASS"), leaving only 4.11% (or 728,391,640 Shares) in CCASS, which suggested only a limit amount of Shares were readily available for trading on the market.

As set out in the SFC Announcement, the shareholding structure of the Company as at 5 October 2009 is as follows:

	Number of Shares held (shares)	% of total number of issued Shares (%)
Long Grand Limited (<i>note 1</i>)	12,887,473,880	72.60
A group of 8 shareholders	4,000,000,000	22.53
Other shareholders	863,836,280	4.87
	17,751,310,160	100.00

Note 1: Long Grand Limited is a company beneficiary owned as to 70% by Mr. Yam Yu and as to 30% by Mr. Yuen Leong, an Executive Director of the Company.

It is noted that the closing share price of the Company surged 144.26% from \$0.61 on 17 August 2009 to reach a high of \$1.49 on 21 August 2009 before easing off thereafter. Share price closed at \$1.18 on 6 October 2009, but still representing an increase of 93.44% from its closing price of \$0.61 on 17 August 2009.

The Board wishes to clarify that the above information is extracted from the SFC Announcement and the Company is not in a position to comment on its accuracy. Having made all reasonable enquiries and to the best knowledge of the Company, the Company confirms that the group of 8 shareholders that mentioned in the SFC Announcement is the Placing Bondholders who became the shareholders of the Company upon conversion of their Placing Bonds on 14 May 2009. Each of them was holding less than 5% of the issued Shares as at 5 October 2009. As mentioned in the Circular, they are independent of and not connected or acting in concert with (i) the directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates; or (ii) Long Grand Limited, Mr. Yam Yu, Mr. Yuen Leong, an Executive Director of the Company, and parties acting in concert with any of them.

Having made all reasonable enquiries with the directors of the Company and to the best knowledge of the Company, the Company confirms that as at 5 October 2009 the public float in respect of the Shares is maintained and the shareholding structure of the Company is as follows:

	Number of Shares held	% of total number of issued Shares
	(shares)	(%)
Long Grand Limited (<i>note 1</i>)	12,887,473,880	72.60
Public shareholders	4,836,836,280	27.40
	<hr/> <u>17,751,310,160</u>	<hr/> <u>100.00</u>

Note 1: Long Grand Limited is a company beneficiary owned as to 70% by Mr. Yam Yu and as to 30% by Mr. Yuen Leong, an Executive Director of the Company.

In view of the concentration of the Company's shareholding in small number of Shareholders and that the bulk of the Shares are kept outside CCASS, shareholders of the Company and potential investors are advised to exercise extreme caution when dealing in the Shares.

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

Hong Kong, 7 October 2009

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.