



7 October 2009

**High Concentration of Shareholding
in
Chaoyue Group Limited (Stock Code: 147)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Chaoyue Group Limited (“the Company”) in the hands of a limited number of shareholders as at 5 October 2009.

In view of the high concentration of shareholding in a small number of shareholders and that the bulk of the shares of the Company (“Shares”) are kept outside CCASS, shareholders and prospective investors should be aware that share price of the Company could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings 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 October 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 CCASS, leaving only 4.11% (or 728,391,640 Shares) in CCASS, which suggested only a limited amount of Shares were readily available for trading on the market.

As at 5 October 2009, the shareholding structure of the Company is as follows :

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Long Grand Limited (Note 1)	12,887,473,880	72.60
A group of 8 shareholders	4,000,000,000	22.53
Other shareholders	863,836,280	4.87
Total	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. Mr. Yuen Leong is 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.



In view of the high concentration of shareholding in a small number of shareholders and that the bulk of the Shares are kept outside CCASS, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

End