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**CHANCO INTERNATIONAL GROUP LIMITED**

卓高國際集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 264)**

## **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The board of directors of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the year ended 31 March 2013 as compared to a profit for year ended 31 March 2012.

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

This announcement is made by Chanco International Group Limited (the “Company”, together with its subsidiaries as 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”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (CAP. 571, Laws of Hong Kong) (the “SFO”).

The board (the “Board”) of directors (the “Directors”) of the Company wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a loss for the year ended 31 March 2013 as compared to a profit for the year ended 31 March 2012. The expected loss for the year ended 31 March 2013 may decrease as compared to a loss for the six months ended 30 September 2012.

Based on the latest information available, the expected loss was mainly due to decrease of turnover, decrease in gross profit margin of manufacturing business as a result of the increase in raw material cost and rising operating cost in the PRC and decrease in net foreign exchange gain for the year.

The Board would also like to inform the shareholders of the Company and potential investors that the financial position of the Group remains sound and healthy.

This profit warning announcement is only based on the preliminary assessment by the management of the Company with reference to the Group's management accounts. The Company's annual results for the year ended 31 March 2013 is expected to be announced by the end of June 2013.

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

On behalf of the Board  
**Chanco International Group Limited**  
**Chan King Hong Edwin**  
*Chairman*

Hong Kong, 21 May 2013

*As at the date of this announcement, Mr. Chan King Hong, Edwin, Mr. Chan King Yuen, Stanley, Ms. Chan Wai Po, Rebecca are the executive directors of the Company, Mr. Fong Pui Sheung, David MH, Ms. Chau Cynthia Sin Ha JP and Mr. Or Kam Chung, Janson are the independent non-executive directors of the Company.*