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(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 loss of the Group for the six months ending 30 September 2013 is expected to have a significant increase as compared to the corresponding period in 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 of directors of the Company (the "Board") wishes to inform the shareholders of the Company and potential investors that the loss of the Group for the six months ending 30 September 2013 is expected to have a significant increase as compared to corresponding period in 2012.

Based on the latest information available, the expected increase in loss was mainly due to the reduction of orders from overseas customers and rising production costs in the PRC. Apart from the manufacturing business, the increase in loss was also due to the decrease of retail sales as a result of the continuing slowdown in the retail market in the first half of financial year 2013/14.

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 a preliminary assessment by the management of the Company of the information available. The unaudited interim results announcement of the Company for the six months ending 30 September 2013 is expected to be released in November 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, 24 September 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.