

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(Stock Code: 264)

FURTHER ANNOUNCEMENT TO PROFIT WARNING ANNOUNCEMENT

Reference is made to the profit warning announcement of Chanco International Group Limited (the “Company”, together with its subsidiaries, the “Group”) dated 21 March 2014 (the “Profit Warning Announcement”). As mentioned in the Profit Warning Announcement, the loss of the Group for the year ended 31 March 2014 is expected to have a significant increase as compared to the year ended 31 March 2013. 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 increasing market competition and continuing slowdown in the retail market.

Other than the above factors, the loss of the Group for the year ended 31 March 2014 is expected to increase further as a result of the recognition of impairment loss on the inventories and the property, plant and equipment. Based on the draft management accounts of the Group, the impairment loss on inventories and property, plant and equipment for the year is expected to be approximately HK\$10,000,000 and approximately HK\$4,800,000 respectively.

The Company is still in the progress of finalizing the audited consolidated results of the Group for the year, the information contained in this announcement is only based on the preliminary assessment by the management of the Company on the unaudited management accounts and the information currently available, which are still being audited by the Company’s auditor. Therefore, the actual results to be reported in the Group’s annual results announcement and annual report may be different from what is disclosed in this announcement.

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.

The annual results announcement of the Company for the year ended 31 March 2014 is expected to be released before the end of June 2014.

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, 11 June 2014

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.