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(Stock code: 264)

PROFIT WARNING

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 Futures Ordinance (CAP. 571, Laws of Hong Kong) (the “SFO”).

Because of the recent volatility of the exchange rate of Renminbi (“RMB”), the Group had converted all its RMB fixed deposits, amounting to approximately RMB92.2 million, into Hong Kong dollar at spot rates ranging from approximately 1.185 to 1.200 recently between 12 and 24 August 2015. As a result, the Group has recorded a foreign exchange loss of approximately HK\$7.2 million which may have a substantial negative impact to the results of the Group for the six months ending 30 September 2015 as compared to the same corresponding period in 2014 (the “Profit Warning”).

The board of directors of the Company (the “Board”) would like to remind shareholders and potential investors of the Company that the information contained in this announcement is based on a preliminary assessment by the Board with reference to information currently available including the latest unaudited consolidated management accounts of the Group, which have not been reviewed or audited by the auditor of the Company.

The Board also refers to the joint announcement dated 28 July 2015 (the “Announcement”) made by the Company and Green Parade Limited (the “Offeror”) in relation to the Offers (as defined in the Announcement) to be made by the Offeror. Following the publication of the Announcement, the Company is required to comply with the relevant requirements in the Code on Takeovers and Mergers (the “Takeovers Code”) issued by the Securities and Futures Commission. Pursuant to Rule 10 of the Takeovers Code, the Profit Warning constitutes a profit forecast. The Profit Warning would need to be reported on by the Company’s independent financial adviser and auditors, and their reports have to be lodged with the Executive. The Profit Warning must be repeated in full together with the reports to be included in the next document sent to the shareholders of the Company as stipulated under Rule 10.4 of

the Takeovers Code. However, as contemplated in practice note 2 issued by the Executive (as defined in the Announcement), the Profit Warning is permitted to be published without full compliance with Rule 10.4 of the Takeovers Code because the only reason for publication of the Profit Warning is that it is required by the laws and regulations as mentioned above (and is not otherwise proposed to be published by the Company) and the Company has encountered genuine practical difficulties (time-wise) in meeting the reporting requirements set out in the said Rule 10.4 of the Takeovers Code having regard to the legal obligations to publish the Profit Warning as soon as practicable.

As stated in the announcement dated 18 August 2015 made by the Company, the Composite Document (as defined in that Announcement) in relation to the Offers is expected to be despatched on or before 31 August 2015, unless the consent of the Executive is applied for and granted for a further extension of the time limit for its despatch. The Profit Warning will be reported on as soon as reasonably practicable and the relevant reports as required under Rule 10.4 of the Takeovers Code will be included in the next document to be sent to shareholders of the Company, i.e. the Composite Document in compliance with the Takeovers Code.

WARNING: The shareholders of the Company and potential investors in the Company should note that the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code. The shareholders of the Company and potential investors should exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Offers and/or any dealings in the securities of the Company whether or not such dealings are in connection with the Offers. They are also strongly advised to review the Composite Document to be despatched by the Offeror and the Company in full before making any decisions on the Offers or any dealings in the securities of the Company in connection with the Offers.

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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

Hong Kong, 25 August 2015

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.