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ANNOUNCEMENT

Disposal/private placement of shares by substantial shareholders

Notifications have been received from the Company's substantial shareholders, Leopark and New Paramount, advising that on 26 September 2003, each of them entered into two transactions for the disposal/private placement of 20,000,000 Shares, totalling 40,000,000 Shares and representing approximately 12.57% of the issued capital of the Company, to Independent Third Parties.

Resumption of trading

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 29 September 2003 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 30 September 2003.

Disposal/private placement of shares by substantial shareholders

The board of directors of Chanco International Group Limited (the "Company") announces that notifications have been received from the Company's substantial shareholders, Leopark Worldwide Inc. ("Leopark") and New Paramount Profits Limited ("New Paramount"), advising that on 26 September 2003, each of them entered into the following transactions for the disposal/private placement of 20,000,000 existing shares of the Company ("Shares"), totalling 40,000,000 Shares and representing approximately 12.57% of the issued capital of the Company:

1. on 26 September 2003, each of Leopark and New Paramount, through Kingston Securities Limited ("Kingston"), agreed to dispose of 5,000,000 Shares, totalling 10,000,000 Shares and representing approximately 3.14% of the issued capital of the Company, at HK\$0.76 each ("Sale Price") to an independent third party which is independent of and not connected with any of the directors, the chief executive and the substantial shareholders (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange")) of any members of the Company and its subsidiaries or any of their respective associates ("Independent Third Party"). The Independent Third Party was procured by Kingston.
2. in the late evening of 26 September 2003, Leopark and New Paramount entered into a placing agreement with Guotai Junan Securities (Hong Kong) Limited ("Guotai Junan") for a private placing (the "Placement") of 15,000,000 Shares owned by Leopark and 15,000,000 Shares owned by New Paramount, totalling 30,000,000 Shares and representing approximately 9.43% of the issued capital of the Company, at HK\$0.82 each ("Placing Price") to Independent Third Parties procured by Guotai Junan. Completion of the Placement will take place on or before 3 October 2003.

Leopark is beneficially owned by Mr. Chan King Hong Edwin, an executive director and chairman of the Company whereas New Paramount is beneficially owned by Mr. Chan King Yuen Stanley, an executive director of the Company.

According to Leopark and New Paramount, they have no present intention to dispose of further Shares.

The change in shareholding structure of the Company is as follows:

Name of shareholder	Before the transactions		After the transactions	
	Total no. of Shares held	Approximate %	Total no. of Shares held	Approximate %
Leopark	67,727,352	21.29	47,727,352	15.00
New Paramount	67,727,352	21.29	47,727,352	15.00
Prevail Assets Limited	39,204,648	12.32	39,204,648	12.32
Smarty Worldwide Limited	39,204,648	12.32	39,204,648	12.32
Public	<u>104,256,000</u>	<u>32.78</u>	<u>144,256,000</u>	<u>45.36</u>
	<u>318,120,000</u>	<u>100.00</u>	<u>318,120,000</u>	<u>100.00</u>

According to the latest information received by the Company, the Company will not have new substantial shareholder subsequent to the transactions.

The Sale Price of HK\$0.76 per Share and the Placing Price of HK\$0.82 per Share represent discounts of approximately 9.52% and approximately 2.38% respectively to the closing price of HK\$0.84 per Share as quoted on the Stock Exchange on 26 September 2003, being the last trading date prior to the date of this announcement.

Resumption of trading

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Shareholders of the Company and potential investors should exercise caution when dealing in the Shares.

By order of the board
Chanco International Group Limited
Chan King Hong, Edwin
Chairman

Hong Kong, 29 September 2003