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(Stock Code: 264)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

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 six months ended 30 September 2011 as compared to a profit for the same period of 2010.

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(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

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 six months ended 30 September 2011 as compared to a profit for the same period of 2010.

Based on the latest information available, the expected loss was mainly due to notable decreases in sales and profit margin caused by reduction of orders from the overseas customers during the period. Apart from manufacturing business, the Group also expects to record an operating loss in its retail business for the six months ended 30 September 2011. The expected loss was primarily due to seasonal factors and store renovation works implemented in the first half of the current financial 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 on the Group's management accounts for the five months ended 31 August 2011 and operational data currently available for the month of September 2011. The interim results announcement of the Company for the six months ended 30 September 2011 is expected to be announced in November 2011.

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, 7 October 2011

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.