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(Stock Code: 264)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012**

The Board of Directors (the “Directors”) of Chanco International Group Limited (the “Company”) is pleased to announce the unaudited results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2012 as follows:–

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

		Six months ended	
		30 September	
		2012	2011
		Unaudited	Unaudited
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
Turnover	4	92,133	84,346
Cost of sales		<u>(70,546)</u>	<u>(60,488)</u>
Gross profit		21,587	23,858
Other income and gains		2,311	3,684
Selling and distribution costs		(12,278)	(14,041)
Administrative and other operating expenses		<u>(15,937)</u>	<u>(15,435)</u>
Loss before income tax expense	5	(4,317)	(1,934)
Income tax expense	6	<u>(627)</u>	<u>(494)</u>
Loss for the period attributable to owners of the Company		<u>(4,944)</u>	<u>(2,428)</u>

		Six months ended	
		30 September	
		2012	2011
		Unaudited	Unaudited
<i>Notes</i>		HK\$'000	HK\$'000
Other comprehensive income			
	Change in fair value of available-for-sale investments	–	(2,011)
	Exchange differences arising on translation of financial statements of operations outside Hong Kong	<u>(143)</u>	<u>864</u>
	Other comprehensive income for the period	<u>(143)</u>	<u>(1,147)</u>
Total comprehensive income			
for the period attributable to owners			
of the Company			
		<u><u>(5,087)</u></u>	<u><u>(3,575)</u></u>
	Loss per share		
	– Basic	8 <u><u>(HK1.6 cent)</u></u>	<u><u>(HK0.8 cent)</u></u>
	– Diluted	8 <u><u>(HK1.6 cent)</u></u>	<u><u>(HK0.8 cent)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2012

		30 September 2012 Unaudited HK\$'000	31 March 2012 Audited HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		7,670	7,973
Available-for-sale investments	9	5,349	5,349
Held-to-maturity investment		–	1,524
Rental deposits		2,742	2,403
		15,761	17,249
		15,761	17,249
Current assets			
Inventories		85,153	86,097
Trade and bills receivables	10	22,985	25,034
Other receivables, deposits and prepayments		5,787	3,186
Tax recoverable		1,035	900
Held-to-maturity investment		1,524	–
Structured bank deposit		4,902	5,536
Cash and cash equivalents		172,502	180,597
		293,888	301,350
		293,888	301,350
Current liabilities			
Trade payables	11	7,745	11,131
Other payables and accrued charges		15,360	15,832
Current tax liabilities		550	555
		23,655	27,518
		23,655	27,518
Net current assets		270,233	273,832
Total assets less current liabilities		285,994	291,081
Non-current liabilities			
Deferred tax liabilities		61	61
		61	61
Total Net Assets		285,933	291,020
Capital and reserves attributable to owners of the Company			
Share capital	12	3,188	3,188
Reserves		282,745	287,832
		282,745	287,832
Total Equity		285,933	291,020

NOTES

1. GENERAL

The Company was incorporated in the Cayman Islands on 12 April 2002 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The address of the registered office and principal place of business of the Company are disclosed in the corporate information to the interim report.

The unaudited condensed interim financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

3. PRINCIPAL ACCOUNTING POLICIES

The condensed interim financial statements have been prepared under the historical cost convention except for certain financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the preparation of these condensed interim financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2012.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 April 2012.

HKFRS 7 (Amendments)	Financial Instruments: Disclosures – Transfer of Financial Assets
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets

The adoption of these new and revised HKFRSs has had no significant effect on these condensed interim financial statements.

The Group has not yet applied the following new or revised standards, amendments and interpretations, potentially relevant to the Group's financial statements, that have been issued but not yet effective.

Amendments to HKFRS 7	Disclosure – Offsetting Financial Assets Financial Liabilities ²
Amendments to HKAS 1 (Revised)	Presentation of Items in Other Comprehensive Income ¹
Amendments to HKAS 32	Presentation – Offsetting Financial Assets Financial Liabilities ³
HKFRS 9	Financial Instruments ⁴
HKFRS 10	Consolidated Financial Statements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurements ²
HKAS 27 (2011)	Separate Financial Statements ²
Annual Improvements Projects	Annual Improvements 2009-2011 Cycle ²

¹ Effective for annual periods beginning on or after 1 July 2012

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2014

⁴ Effective for annual periods beginning on or after 1 January 2015

Amendments to HKAS 1 (Revised) - Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 – Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The Group is in the process of making an assessment of the potential impact of other new / revised HKFRSs and the directors so far concluded that the application of these new / revised HKFRSs will have no material impact on the Group's financial statements.

4. TURNOVER AND SEGMENT INFORMATION

Turnover, which is also the revenue, represents the net amounts received and receivable for goods sold to external customers, less returns and discount, if any, during the period.

The principal activities of the Group are manufacture and distribution of leather products and retail of fashion apparel, footwear and leather accessories.

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions.

The Group has two reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

Manufacturing business	–	Manufacture and distribution of leather products
Retail business	–	Retail of fashion apparel, footwear and leather accessories

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision makers for assessment of segment performance.

	Manufacturing business		Retail business		Total	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	Unaudited 2012 HK\$'000	Unaudited 2011 HK\$'000	Unaudited 2012 HK\$'000	Unaudited 2011 HK\$'000	Unaudited 2012 HK\$'000	Unaudited 2011 HK\$'000
Revenue from external customers	70,864	64,132	21,269	20,214	92,133	84,346
Inter-segment revenue	1,524	1,241	–	–	1,524	1,241
Reportable segment revenue	<u>72,388</u>	<u>65,373</u>	<u>21,269</u>	<u>20,214</u>	<u>93,657</u>	<u>85,587</u>
Reportable segment result	(5,212)	(1,561)	(580)	(1,843)	(5,792)	(3,404)
Elimination of inter-segment profits					(29)	(51)
Dividend income from available-for-sale investments					146	131
Interest income					1,966	1,508
Unallocated other income and gains					–	388
Unallocated corporate expenses					(608)	(506)
Loss before income tax expense					(4,317)	(1,934)
Income tax expense					(627)	(494)
Loss for the period					<u>(4,944)</u>	<u>(2,428)</u>

	Manufacturing business		Retail business		Total	
	30 September 2012 Unaudited HK\$'000	31 March 2012 Audited HK\$'000	30 September 2012 Unaudited HK\$'000	31 March 2012 Audited HK\$'000	30 September 2012 Unaudited HK\$'000	31 March 2012 Audited HK\$'000
Reportable segment assets	159,295	147,225	49,469	38,894	208,764	186,119
Available-for-sales investments					5,349	5,349
Held-to-maturity investment					1,524	1,524
Tax recoverable					1,035	900
Unallocated cash and cash equivalents					91,223	122,753
Other unallocated corporate assets					1,754	1,954
					<u>309,649</u>	<u>318,599</u>

5. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging:

	Six months ended 30 September	
	2012 Unaudited HK\$'000	2011 Unaudited HK\$'000
Cost of inventories sold	70,546	60,488
Depreciation of property, plant and equipment	958	1,069
Operating lease rentals in respect of land and buildings	8,248	10,238
Write down of inventories	192	220
Staff costs (excluding directors' emoluments)	8,816	9,574
Foreign exchange loss, net	775	–
and crediting:		
Dividend income from available-for-sale investments	146	131
Interest income	1,966	1,508
Foreign exchange gain, net	<u>–</u>	<u>1,909</u>

6. INCOME TAX EXPENSE

	Six months ended 30 September	
	2012	2011
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Current taxation:		
– Hong Kong profits tax	39	–
– PRC enterprise income tax	588	540
Deferred tax	–	(46)
	<u>627</u>	<u>494</u>

Hong Kong profits tax is calculated at 16.5% (2011: 16.5%) on the estimated assessable profits for the period. The PRC enterprise income tax rate for the Company's subsidiary in the PRC is 25% (2011: 25%).

7. INTERIM DIVIDEND

	Six months ended 30 September	
	2012	2011
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Interim dividend of HK0.33 cent (2011: Nil) per ordinary share	<u>1,052</u>	<u>–</u>

At a board meeting held on 28 November 2012, the directors declared an interim dividend of HK0.33 cent per share, aggregating a total of approximately HK\$1,052,000 for the six months ended 30 September 2012. This dividend declared after the end of the reporting period is not reflected as a dividend payable in these condensed financial statements, but is reflected as an appropriation of retained earnings.

The amount of declared interim dividend is based on 318,804,000 shares in issue at 28 November 2012.

8. LOSS PER SHARE

The calculation of basic loss per share is based on the Group's loss for the period of HK\$4,944,000 (2011: loss of HK\$2,428,000) and weighted average number of 318,804,000 (2011: 318,804,000) ordinary shares in issue during the period.

For the six months ended 30 September 2012 and 2011, diluted loss per share is equal to the basic loss per share for the respective periods as there is no dilutive effect on the outstanding share options.

9. AVAILABLE-FOR-SALE INVESTMENTS

	30 September 2012 Unaudited HK\$'000	31 March 2012 Audited HK\$'000
Equity securities listed in Hong Kong, at fair value	<u>5,349</u>	<u>5,349</u>

Fair value is determined by reference to published price quotation in an active market.

10. TRADE AND BILLS RECEIVABLES

	30 September 2012 Unaudited HK\$'000	31 March 2012 Audited HK\$'000
Trade and bills receivables	23,687	25,632
Less: impairment loss	<u>(702)</u>	<u>(598)</u>
	<u>22,985</u>	<u>25,034</u>

Customers are generally granted with credit terms of 30 to 90 days. The ageing analysis of trade and bills receivables (net of impairment loss) at the end of reporting period is as follows:

	30 September 2012 Unaudited HK\$'000	31 March 2012 Audited HK\$'000
Less than 30 days	11,235	16,504
31-60 days	7,656	2,788
61-90 days	2,519	2,560
91-120 days	270	760
121-365 days	1,297	2,334
More than 365 days	<u>8</u>	<u>88</u>
	<u>22,985</u>	<u>25,034</u>

11. TRADE PAYABLES

Details of the ageing analysis are as follows:

	30 September 2012 Unaudited HK\$'000	31 March 2012 Audited HK\$'000
Less than 30 days	4,035	7,234
31-60 days	1,105	2,745
61-90 days	1,464	181
91-120 days	568	377
121-365 days	316	497
More than 365 days	257	97
	<u>7,745</u>	<u>11,131</u>

12. SHARE CAPITAL

There was no movement in the share capital of the Company during the period.

13. CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 September 2012 and 31 March 2012.

14. RELATED PARTY TRANSACTIONS

(a) During the period, the Group had entered into the following transactions with related parties:

	Six months ended 30 September 2012 Unaudited HK\$'000	2011 Unaudited HK\$'000
Rental expenses paid to Mr. Chan Woon Man and Ms. Tsang Sau Lin for office premises	<u>300</u>	<u>300</u>

Mr. Chan Woon Man is a substantial shareholder of the Company and Ms. Tsang Sau Lin is the wife of Mr. Chan Woon Man.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	Six months ended	
	30 September	
	2012	2011
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Short-term benefits	5,626	6,485
Post employment benefits	70	60
	<hr/>	<hr/>
	5,696	6,545
	<hr/> <hr/>	<hr/> <hr/>

INTERIM DIVIDEND

The Directors has resolved to declare an interim dividend of HK0.33 cent per ordinary share for the six months ended 30 September 2012. The interim dividend will be paid on or about 11 January 2013 to members, whose names appear on the register of members of the Company at the close of business on 7 January 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the six months ended 30 September 2012, the Group recorded a higher turnover of HK\$92,133,000 as compared to HK\$84,346,000 for the corresponding period last year. The increase in turnover was mainly due to overall improvement of sales revenue from both manufacturing and retail business segments in the reporting period. Despite turnover growth, the Group's gross profit decreased from HK\$23,858,000 to HK\$21,587,000 as a result of the decline in gross profit margin of both manufacturing and retail businesses. Gross profit margin decreased from 28.3% to 23.4%.

Other income and gains decreased from HK\$3,684,000 to HK\$2,311,000 which was mainly attributed to net foreign exchange loss incurred in the reporting period as compared to net foreign exchange gain of around HK\$1,909,000 recorded in the same period last year.

Selling and distribution costs decreased from HK\$14,041,000 to HK\$12,278,000 which was mainly attributable to the decrease in rental expenses in relation to the Group's retail business. The decrease in rental expenses was due to saving of high rental from the discontinued store. In addition, the Group had well managed to reduce the rental expenses through optimizing its sales network. Administrative and other operating expense amounted to around HK\$15,937,000 as compared to HK\$15,435,000 in the same period last year.

As a result of the above, the Group recorded a net loss of HK\$4,944,000 for the six months ended 30 September 2012 as compared to net loss of HK\$2,428,000 recorded in the same period last year.

BUSINESS REVIEW

Manufacturing Business

For the six months ended 30 September 2012, turnover of manufacturing business segment from external customers increased by around 10.5% to HK\$70,864,000, accounting for approximately 76.9% of the Group's consolidated total turnover. The increase in turnover was mainly due to the increase of sales to two of its core markets, the U.S. and Europe.

Geographically, sales to Europe increased from HK\$22,756,000 to HK\$26,117,000 and sales to the U.S. increased from HK\$6,623,000 to HK\$11,829,000. Both markets recorded a remarkable increase in orders from customers in the first half of the financial year as compared to the relatively sluggish demand in same period last year. Nevertheless, market demands remained unstable and volatile during the reporting period. Sales in Hong Kong amounted to around HK\$8,578,000 as compared with HK\$8,456,000 of same period last year. Sales in the PRC market increased from HK\$7,678,000 to HK\$8,205,000. Apart from the major markets, sales to other countries including Japan, Australia, Canada, India, Korea, Singapore and Malaysia, etc. was around HK\$16,135,000 as compared with HK\$18,619,000.

In terms of product category, sales of belts increased to HK\$63,010,000 (2011: HK\$53,630,000) but sales of leather goods and other accessories decreased to approximately HK\$7,854,000 (2011: HK\$10,502,000). Despite increase in turnover, gross profit margin decreased from around 18.8% to around 14.9%. Decline in gross profit margin was mainly due to an increase in raw material cost including cowhide leather and hardware accessories.

As a result of the decline in gross profit margin and net foreign exchange loss incurred in the reporting period as compared to net foreign exchange gain recorded in the corresponding period last year, the operating loss of manufacturing business increased from HK\$1,561,000 to HK\$5,212,000.

Retail Business

Retail sales for the six months ended 30 September 2012 increased slightly from HK\$20,214,000 to HK\$21,269,000. The ongoing global economic uncertainty and the slowdown in the Mainland China are affecting the retail market in Hong Kong. The pace of sales growth of retail market was decelerating, especially in the first quarter the financial year. Despite the slowdown of market, our comparable same store sales increased around 8.9% against same period last year. The Group's in-house brand sales mainly "Urban Stranger" accounted for around 43.2% of total retail sales as compared to around 49.5% of same period last year. Sales of international footwear brands products grew sharply as a result of special discount offered in the reporting period.

Gross profit margin went down to approximately 51.4% (2011: 56.2%), which was mainly due to the increase in proportion of sales of international footwear brand products with lower profit margin and additional promotion and special discount offered in the reporting period.

The overall shop rental to turnover ratio decreased by 10.6 percentage points to approximately 26.7% (2011: 37.3%). This was mainly due to saving of high rental from the discontinued store. The Group had also reduced the rental expenses through optimizing its sales network and operating stores at cost effective locations.

The staff cost was a bit higher than same period last year as a result of an increase in number of staff, staff salaries and sales commission and bonus in the reporting period.

Despite fall in gross profit margin, the Group had well managed to reduce the operating loss from HK\$1,843,000 to HK\$580,000. During the reporting period, the Group opened one new store at the shopping mall in Causeway Bay. As at 30 September 2012, the Group operated seven AREA 0264 stores in Hong Kong.

PROSPECT

Moving forward, the European debt issue is likely to affect the global economy for the rest of 2012 and even the first half of 2013. The global market demand will remain weak and unstable. In view of uncertain market conditions, the Group will continue to pursue cautious and prudent business strategies.

In addition, the Group's processing factory in Dongguan is undergoing to upgrade and transform into a wholly foreign-owned enterprise with legal person status as encouraged by the local government in Dongguan. During the process of transformation, production in the processing factory will not be interrupted. The transformation of processing factory is expected to be completed before the end of 2013.

Hong Kong retail outlook remain positive despite the slowdown of retail sales growth and tourist spending. The Group will continue to seek opportunity to expand its presence in the market cautiously. Due to persistent high rental in prime street location, the Group will choose to open shop in the shopping mall which is more cost effective. In October 2012, the Group opened another new store at the shopping mall in Tuen Mun. To maintain a refreshing of store image, the Group will continue to renovate and upgrade its stores after renewal of tenancy. The Group's sales performance in October 2012 has been encouraging and is in line with management's expectation. The Group is confident that the retail business will remain profitable for the full financial year 2013.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2012 the Group's cash and bank deposits were approximately HK\$172,502,000, compared to approximately HK\$180,597,000 as at 31 March 2012.

As at 30 September 2012, the Group had aggregate banking facilities in respect of import/export facilities of approximately HK\$15,000,000 which were secured by corporate guarantees provided by the Company.

The Group recorded total current assets of approximately HK\$293,888,000 as at 30 September 2012 (31 March 2012: HK\$301,350,000) and total current liabilities of approximately HK\$23,655,000 (31 March 2012: HK\$27,518,000). The current ratio of the Group, calculated by dividing the total current assets by the total current liabilities, was approximately 12 times as at 30 September 2012 (31 March 2012: 11 times).

In view of its strong financial position and liquidity, the Group did not raise any bank loan during the period.

TREASURY POLICY

The Group generally finances its operation with internally generated resources. Cash and bank deposits of the Group are mainly denominated in Hong Kong dollars (“HK\$”), US dollars (“USD”), Renminbi (“RMB”) and Euro. Transactions of the Group are mainly denominated in HK\$, USD, RMB and Euro. As HK\$ is pegged to USD, the Group does not expect any significant movements in the USD/HK\$ exchange rate. In this regard, the Group does not expose to significant currency risk arising from USD. The Group has significant exposure to foreign exchange fluctuation in RMB against HK\$ at the end of reporting period. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

During the reporting period, the Group placed to a bank a structured bank deposit amounting to approximately HK\$4,902,000 (equivalent to RMB4,000,000) for short term investment purpose.

CHARGES ON ASSETS

The Group did not have any assets pledged for general facilities granted by banks.

MATERIAL ACQUISITIONS/DISPOSALS

The Group had no material acquisitions/disposals for the six months ended 30 September 2012.

HUMAN RESOURCES

As at 30 September 2012, the Group had around 127 employees in Hong Kong and the PRC and the processing factory, an independent third party with which the Group has entered into a processing agreement, had around 759 workers. The Group remunerated its employees mainly based on their individual performance. Apart from basic salaries, discretionary bonus, contribution to the statutory retirement scheme, the Group adopted a share option scheme whereby certain employees of the Group may be granted options to subscribe for shares of the Company.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 September 2012.

CORPORATE GOVERNANCE

The Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules during the six months ended 30 September 2012, except for the deviations from CG Code provisions A1.8 and A2.1. Under the CG Code provision A1.8, the Company should arrange appropriate insurance cover in respect of legal action against its directors. The Board decided that it was not necessary to arrange insurance cover to the Directors because Directors had always been prudent in making business decision for the Company and so the legal risk to the Directors was quite low. Under the CG Code provision A2.1, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Due to the small size of the existing management team, both the roles of the chairman and chief executive officer of the Company are currently played by Mr. Chan King Hong, Edwin. Mr. Chan has considerable experience in manufacturing industry and is the person most knowledgeable about the business of the Group. The Board believes that the current structure will enable us to make and implement decisions promptly and efficiently. The Board will meet regularly to consider that this structure will not impair the balance of power and authority between the Board and the management of Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors ("Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, the Directors have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 September 2012.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, Mr. Fong Pui Sheung David (Chairman), Ms. Chau Cynthia Sin Ha, and Mr. Or Kam Chung Janson. The Audit Committee has reviewed with Group's management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters, including a review of the unaudited interim financial statements and the results of the Group for the six months ended 30 September 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 3 January 2013 to Monday, 7 January 2013, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Wednesday, 2 January 2013.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of the Company (<http://www.irasia.com/listco/hk/chanco/index.htm>) and the Stock Exchange (www.hkex.com.hk). An interim report for the six months ended 30 September 2012 containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and available on the same websites in due course.

By order of the Board
Chan King Hong, Edwin
Chairman

Hong Kong, 28 November 2012

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.