CHEN HSONG HOLDINGS LIMITED
震 雄 集 團 有 限 公 司
(Incorporated in Bermuda with limited liability)
(Stock Code: 00057)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is expected to record a 12% decline in turnover and a decrease in **net profit (before foreign exchange impacts)** of around 50% for the six months ended 30 September 2014 as compared with the same period of last year. The percentage of decrease in **net profit** will enlarge due to the lack of foreign exchange gains on the sizable appreciation of the Renminbi experienced in the same period of last year.

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 Chen Hsong Holdings Limited (the "Company") and together with its subsidiaries (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 the Inside Information Provisions (as defined in the Listing Rules) under the Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

The board of directors (the "Board") of the Company wishes to inform the shareholders of the Company and potential investors that, based on preliminary assessment of the unaudited consolidated management accounts of the Group for the five months ended 31 August 2014 and projections for September 2014 based on information currently available, the Group is expected to record a 12% decline in turnover and a decrease in **net profit (before foreign exchange impacts)** of around 50% for the six months ended 30 September 2014 (the "Period") as compared with the same period of last year. The percentage of decrease in **net profit** will enlarge due to the lack of foreign exchange gains on the sizable appreciation of the Renminbi experienced in the same period of last year.

The decrease in turnover was due to the weakened China market, arising mainly from liquidity tightness in the economy and continued slowdown in the manufacturing sector. As a result, the Group adopted a more conservative approach in granting credit to customers which also adversely affected order intake during the Period.

The Group's gross margin declined due to downwards adjustment in production volume which led to higher sharing of fixed costs. The Group shall continue to observe market conditions before any appropriate adjustments in production volume. If market conditions turn around in the near term, the Group's gross margin is expected to improve accordingly.

Facing these challenges, the Group shall continue to improve its competitiveness through optimising supply chain and launching new products, as well as enhancing market development globally.

The information contained in this announcement is only based on the preliminary assessment by the Company based on information currently available and is not based on any figures or information reviewed by the Company's auditors. Further details of the Group's financial results and performance will be disclosed in the Company's interim results announcement to be published by the end of November 2014.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
CHEN HSONG HOLDINGS LIMITED
Alice Sin Ping LIP
Company Secretary

Hong Kong, 9 October 2014

As at the date of this announcement, the executive directors of the Company are Dr. Chen CHIANG, Ms. Lai Yuen CHIANG, Mr. Chi Kin CHIANG, Mr. Stephen Hau Leung CHUNG and Mr. Sam Hon Wah NG, and the independent non-executive directors of the Company are Mr. Johnson Chin Kwang TAN, Mr. Anish LALVANI, Mr. Bernard Charnwut CHAN and Mr. Michael Tze Hau LEE.