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(1) 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 an approximately 15% decrease in turnover and a serious decline in results attributable to equity holders of the Company for the year ended 31 March 2015, compared to the consolidated net profit attributable to equity holders of the Company for the year ended 31 March 2014.

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(1) 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 shareholders of the Company and potential investors that, based on information currently available, the Group is expected to record an approximately 15% decrease in turnover and a serious decline in results attributable to equity holders of the Company for the year ended 31 March 2015 (the "Year"), compared to the consolidated net profit attributable to equity holders of the Company for the year ended 31 March 2014.

Following a decrease in turnover in the first half of the Year as compared with the same period of last year, the second half continued to decline and no improvement was seen in the weakening China market as the manufacturing sector being continued to slow down. The small-to-medium China enterprises, our major customer sector, also suffered from liquidity tightness. The Group decided to keep its conservative approach in granting credit to customers in view of the credit risk situation, order intake was therefore adversely affected.

The gross profit margin dropped during the Year was primarily due to downward adjustments in production volume which led to higher sharing of fixed costs. Foreign exchange gains had also reduced sizably as compared to last year which affected our bottom line significantly.

The Group sees the market challenges continue in the coming financial year ending 31 March 2016 ("Coming Year"). The Group has planned to introduce the first product of a brand new series in the second quarter of the Coming Year and the whole series shall be fully launched by March 2017. The Board believes that this new series of machines will be much more competitive under current market dynamics. In addition, the Group has exerted more effort in developing international markets, and has seen market share increases in some key regions. The Group will continue to place importance on this development.

The information contained in this announcement is only based on the preliminary assessment by the Company based on the 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 annual results announcement to be published by the end of June 2015.

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, 13 May 2015

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.