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(2)(a) 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 shall record a substantial loss attributable to equity holders of the Company for the year ended 31 March 2016 as compared to a profit for the year ended 31 March 2015.

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(2)(a) 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 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 information currently available, the Group shall record a substantial loss attributable to equity holders of the Company for the year ended 31 March 2016 (the "Year") as compared to a profit for the year ended 31 March 2015.

The substantial loss for the Year was primarily attributable to:

(1) a considerable loss of foreign exchange of approximately HK$66 million mainly from the Renminbi depreciation. In August 2015, the People's Bank of China devalued the Renminbi by lowering its daily mid-point trading price. The Group with substantial investments in Mainland China saw its results of the Year impacted by that currency move;

(2) an approximately 20% decrease in turnover for the Year as compared with last year. Slowing economy in Mainland China and sharp fall in currencies against the U.S. Dollar in many countries during the Year greatly affected market demands. As a result, the Group's order intake and deliveries had been adversely impacted; and

(3) a substantial impairment of assets. In view of the current unfavourable market situations, the Group has been assessing the impairment amounts for its assets, including fixed assets, trade receivables, inventories, etc. which would have a significant impact on the results of the Group for the Year.

Facing the challenges ahead, the Group shall continue to enhance its competitiveness and operational efficiency through launching new products and developing new markets globally. The Group nevertheless maintains a stable financial position with sufficient cash and low gearing level.

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 2016.

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, 20 May 2016

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.