

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

China Hongcheng Holdings Limited (the “Company”) was placed on the watch-list pursuant to Rule 1311 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) with effect from 4 September 2013.

Pursuant to Rule 1313(2) of the Listing Manual of the SGX-ST, the Board of Directors (the “Board”) of the Company wishes to provide the following updates:

Update on Financial Position

The unaudited loss of the Company was RMB43.3 million for the 3 months ended 31 March 2015 (“3QFY2015”) compared to RMB18.7 million in 3QFY2014. There was a significant increase in the loss during the period because the Group was still utilising its higher-priced cotton purchased previously to produce the Group’s products and the selling prices of the Group’s products had also decreased. High finance costs continued to weigh down on the Company’s performance.

Update on Future Direction

The Company continues to focus in exploring business opportunities in overseas markets. In early May, the Group had just completed the promotion of its products at the China Import and Export Fair held in Guangzhou. Interests were shown by the potential customers at the fair and the Company is following up with them.

By Order of the Board
CHINA HONGCHENG HOLDINGS LIMITED

Liu Ming
Executive Chairman
11 May 2015