

CHINA HONGCHENG HOLDINGS LIMITED
(Incorporated in Bermuda)

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 RMB62.6 million for the 3 months ended 31 December 2014 (“2QFY2015”) compared to RMB16.2 million in 2QFY2014. 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

Although the Company secured recent sales orders from existing European and US customers, the Company continues to put in extensive efforts to obtain orders from new customers such as “Mundo Do” in Brazil, “Sunham” and “Royal Plaza” in US in 2QFY2015. The Company will continue to explore business opportunities in these markets in the next few months to broaden its customer base.

By Order of the Board
CHINA HONGCHENG HOLDINGS LIMITED

Liu Ming
Executive Chairman
9 February 2015