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CHEN HSONG HOLDINGS LIMITED

震雄集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00057)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

FINANCIAL HIGHLIGHTS			
	For the six months ended 30 September		
	2025	2024	Change
	(Unaudited)	(Unaudited)	
RESULTS HIGHLIGHTS (HK\$'000)			
Revenue	1,211,523	1,208,819	0%
Profit before tax	71,180	78,997	-10%
Profit attributable to equity holders of the Company	60,644	65,160	-7%
Total assets	4,353,251	4,335,067	0%
Shareholders' equity	3,145,375	3,094,076	2%
Issued share capital	63,053	63,053	0%
Net current assets	2,022,078	2,023,307	0%
PER SHARE DATA			
Basic earnings per share (HK cents)	9.6	10.3	-7%
Cash dividends per share (HK cents)	3.6	3.8	-5%
Net assets per share (HK dollars)	5.0	4.9	2%
KEY FINANCIAL RATIOS			
Return on average shareholders' equity (%)	1.9	2.1	-10%
Return on average total assets (%)	1.4	1.5	-7%

INTERIM RESULTS

The board of directors (the "Board") of Chen Hsong Holdings Limited (the "Company") announces that the unaudited consolidated profit attributable to equity holders of the Company for the six months ended 30 September 2025 amounted to HK\$60,644,000, as compared with the profit attributable to equity holders of HK\$65,160,000 for the corresponding period of last year. Basic earnings per share for the six months ended 30 September 2025 was HK9.6 cents, as compared with the basic earnings per share of HK10.3 cents for the corresponding period of last year. These unaudited interim results have been reviewed by the Company's Audit Committee.

CONDENSED CONSOLIDATED INCOME STATEMENT*For the six months ended 30 September 2025*

		Six months ended	
		30 September	
		2025	2024
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
REVENUE	2	1,211,523	1,208,819
Cost of sales		(935,986)	(931,845)
Gross profit		275,537	276,974
Other income and gains, net		59,974	38,732
Selling and distribution expenses		(136,102)	(125,390)
Administrative expenses		(73,753)	(69,001)
Other operating expenses, net		(54,574)	(42,387)
Finance costs		(500)	(471)
Share of profits less losses of associates		598	540
PROFIT BEFORE TAX	3	71,180	78,997
Income tax expense	4	(11,001)	(15,160)
PROFIT FOR THE PERIOD		60,179	63,837
ATTRIBUTABLE TO:			
Equity holders of the Company		60,644	65,160
Non-controlling interests		(465)	(1,323)
		60,179	63,837
EARNINGS PER SHARE			
ATTRIBUTABLE TO EQUITY HOLDERS			
OF THE COMPANY	6		
Basic (<i>HK cents</i>)		9.6	10.3
Diluted (<i>HK cents</i>)		9.6	10.3

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 September 2025*

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	60,179	63,837
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income that may be reclassified to the income statement in subsequent periods:</i>		
Exchange differences:		
Exchange differences on translation of foreign operations	51,896	1,648
Share of other comprehensive income of associates	564	188
Net other comprehensive income that may be reclassified to the income statement in subsequent periods	52,460	1,836
<i>Other comprehensive income that will not be reclassified to the income statement in subsequent periods:</i>		
Actuarial gains on a defined benefit plan	139	160
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	52,599	1,996
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	112,778	65,833
ATTRIBUTABLE TO:		
Equity holders of the Company	113,184	67,086
Non-controlling interests	(406)	(1,253)
	112,778	65,833

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		30 September 2025 (Unaudited) Notes HK\$'000	31 March 2025 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		573,990	546,815
Investment properties		362,238	358,347
Right-of-use assets		53,680	56,111
Goodwill		51,905	51,905
Intangible assets		1,426	1,808
Investments in associates		26,836	25,673
Deferred tax assets		29,893	28,880
Deposits for purchases of items of property, plant and equipment		10,267	12,953
Trade and bills receivables	7	125,534	109,824
Defined benefit assets		5,855	5,041
Total non-current assets		<u>1,241,624</u>	<u>1,197,357</u>
CURRENT ASSETS			
Inventories		766,912	788,554
Trade and bills receivables	7	1,354,451	1,463,974
Deposits, prepayments and other receivables		264,046	242,116
Pledged bank deposits		128,618	138,784
Cash and bank balances		597,600	528,179
Total current assets		<u>3,111,627</u>	<u>3,161,607</u>
CURRENT LIABILITIES			
Trade and bills payables	8	724,271	816,347
Other payables, accruals and contract liabilities		320,362	302,654
Lease liabilities		4,201	4,274
Tax payable		40,715	40,684
Total current liabilities		<u>1,089,549</u>	<u>1,163,959</u>
NET CURRENT ASSETS		<u>2,022,078</u>	<u>1,997,648</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,263,702</u>	<u>3,195,005</u>
NON-CURRENT LIABILITIES			
Other payables and accruals		10,522	4,431
Lease liabilities		11,084	13,262
Deferred tax liabilities		90,325	88,940
Total non-current liabilities		<u>111,931</u>	<u>106,633</u>
NET ASSETS		<u><u>3,151,771</u></u>	<u><u>3,088,372</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)**As at 30 September 2025*

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
EQUITY		
Equity attributable to equity holders of the Company		
Issued share capital	63,053	63,053
Reserves	3,082,322	3,018,517
	3,145,375	3,081,570
Non-controlling interests	6,396	6,802
TOTAL EQUITY	3,151,771	3,088,372

NOTES:

1. ACCOUNTING POLICIES

The unaudited condensed interim financial statements of the Company and its subsidiaries (the “Group”) have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The accounting policies and basis of preparation adopted in the preparation of these condensed interim financial statements are consistent with those set out in the Group’s audited financial statements for the year ended 31 March 2025, except that the Group has adopted, for the first time for the current period’s condensed interim financial statements, the following amended HKFRS Accounting Standard (which includes all applicable Hong Kong Financial Reporting Standards, HKASs and Interpretations) issued by the HKICPA that is effective for the accounting period commencing on 1 April 2025:

Amendments to HKAS 21

Lack of Exchangeability

The above amended HKFRS Accounting Standard has no significant financial effect on these condensed interim financial statements and there have been no significant changes to the accounting policies applied in these condensed interim financial statements.

The HKICPA has also issued a number of new and amended HKFRS Accounting Standards which are not yet effective for the current reporting period. The Group has not early adopted those new and amended HKFRS Accounting Standards in these condensed interim financial statements. The Group is in the process of making an assessment of the impact of these new and amended HKFRS Accounting Standards upon initial application, but is not yet in a position to state whether these new and amended HKFRS Accounting Standards would have significant impact on the Group’s financial performance and financial position.

2. REVENUE AND OPERATING SEGMENT INFORMATION

The Group's revenue from contracts with customers is related to the sale of plastic injection moulding machines and related products, and all the revenue is recognized at a point in time when control of goods is transferred to customers generally on delivery of the goods.

The Group is principally involved in the manufacture and sale of plastic injection moulding machines and related products. For management purposes, the Group is organized into business units based on the locations of customers and has three reportable operating segments as follows:

- (i) Mainland China and Hong Kong;
- (ii) Taiwan; and
- (iii) Other overseas countries.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, unallocated income and gains, non-lease-related finance costs, share of profits less losses of associates, and corporate and unallocated expenses are excluded from such measurement.

There are no significant sales between the reportable operating segments.

Disaggregation of revenue from contracts with customers by locations of customers, as well as revenue and results information for the Group's operating segments for the periods ended 30 September 2025 and 2024 is as follows:

	Segment revenue		Segment results	
	from external customers		Six months ended	
	Six months ended		Six months ended	
	30 September		30 September	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Mainland China and Hong Kong	843,632	890,834	60,368	78,883
Taiwan	18,215	21,441	(203)	(4,848)
Other overseas countries	349,676	296,544	21,258	11,689
	<u>1,211,523</u>	<u>1,208,819</u>	<u>81,423</u>	<u>85,724</u>

Reconciliation of results of operating segments to profit before tax is as follows:

Operating segment results	81,423	85,724
Unallocated income and gains	9,985	14,808
Corporate and unallocated expenses	(20,826)	(22,075)
Share of profits less losses of associates	598	540
Profit before tax	<u>71,180</u>	<u>78,997</u>

3. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
Cost of inventories sold	935,986	931,845
Depreciation of property, plant and equipment	28,343	26,441
Depreciation of right-of-use assets	2,910	2,435
Amortization of intangible assets	399	402
Loss/(gain) on disposal of items of property, plant and equipment	(80)	34
Write-off of items of property, plant and equipment	516	1,428
Impairment/(write-back of impairment) of trade receivables, net	2,836	(1,458)
Provision/(write-back of provision) for inventories, net	607	(26)
Fair value losses on investment properties	-	6,993
Foreign exchange differences, net	(7,149)	8,917
Interest income	(9,985)	(14,762)
Finance lease interest income	-	(46)
	<u> </u>	<u> </u>

4. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
Current:		
Charge for the period		
Hong Kong	-	-
Elsewhere	7,736	12,831
Underprovision in prior periods	3,351	3,052
Deferred	(86)	(723)
	<u> </u>	<u> </u>
Tax charge for the period	<u>11,001</u>	<u>15,160</u>

5. DIVIDENDS

Six months ended 30 September	
2025	2024
<i>HK\$'000</i>	<i>HK\$'000</i>

Dividends paid during the period:

Final in respect of the financial year ended 31 March 2025

- HK\$0.080 (2024: HK\$0.050) per ordinary share	<u>50,443</u>	<u>31,527</u>
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The Board has declared the payment of an interim dividend of HK\$0.036 (2024: HK\$0.038) per ordinary share for the six months ended 30 September 2025 totalling HK\$22,699,000 (2024: HK\$23,960,000). These condensed interim financial statements do not reflect the interim dividend payable.

6. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic and diluted earnings per share attributable to equity holders of the Company is based on the following data:

Six months ended 30 September	
2025	2024
<i>HK\$'000</i>	<i>HK\$'000</i>

Earnings

Profit for the period attributable to equity holders of the Company
for the purpose of basic and diluted earnings per share

<u>60,644</u>	<u>65,160</u>
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Six months ended 30 September	
2025	2024
<i>thousand shares</i>	<i>thousand shares</i>

Number of shares

Weighted average number of ordinary shares for the purpose of
basic earnings per share

630,532	630,532
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Effect of dilutive potential ordinary shares: share options

<u>701</u>	<u>-</u>
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Weighted average number of ordinary shares for the purpose of
diluted earnings per share

<u>631,233</u>	<u>630,532</u>
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7. TRADE AND BILLS RECEIVABLES

		30 September 2025	31 March 2025
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables		1,305,071	1,222,387
Impairment		(72,333)	(91,633)
Trade receivables, net	(a)	1,232,738	1,130,754
Bills receivable	(b)	247,247	443,044
Total trade and bills receivables		1,479,985	1,573,798
Portion classified as non-current portion		(125,534)	(109,824)
Current portion		1,354,451	1,463,974

Trading terms with customers are either cash on delivery, bank bills or on credit. The Group grants credit to customers based on their respective business strength and creditability, with credit periods of 30 days to 180 days in general. The Group adopts strict control policies over credit terms and receivables that serve to minimize credit risk.

In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances. Except for the trade receivables of HK\$44,277,000 as at 30 September 2025 (31 March 2025: HK\$60,681,000) which are interest-bearing at an average interest rate of 6.3% (31 March 2025: 6.3%) per annum and with credit periods of 18 months to 36 months (31 March 2025: 18 months to 36 months) in general, the remaining trade and bills receivables are non-interest-bearing.

As at 30 September 2025, the Group has pledged bills receivable of HK\$186,943,000 (31 March 2025: HK\$149,475,000) to secure the issuance of bank acceptance notes, included in the trade and bills payables, to suppliers.

- (a) The ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 September 2025	31 March 2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 90 days	395,620	651,126
91 to 180 days	233,270	173,251
181 to 365 days	376,656	160,584
Over 1 year	227,192	145,793
	1,232,738	1,130,754

7. TRADE AND BILLS RECEIVABLES *(continued)*

(b) The maturity dates of the bills receivable as at the end of the reporting period are analyzed as follows:

	30 September	31 March
	2025	2025
	HK\$'000	HK\$'000
Within 90 days	91,258	176,684
91 to 180 days	154,200	246,442
181 to 365 days	1,789	18,296
Over 1 year	-	1,622
	247,247	443,044

8. TRADE AND BILLS PAYABLES

The ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 September	31 March
	2025	2025
	HK\$'000	HK\$'000
Within 90 days	377,467	410,742
91 to 180 days	198,360	214,285
181 to 365 days	103,736	160,306
Over 1 year	44,708	31,014
	724,271	816,347

The trade and bills payables are non-interest-bearing and are normally settled on terms of 3 months to 6 months (31 March 2025: 3 months to 6 months). Included in the trade and bills payables are trade payables of HK\$12,197,000 (31 March 2025: HK\$407,000) due to associates which are repayable within 30 days.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK3.6 cents (2024: HK3.8 cents) per ordinary share for the six months ended 30 September 2025 to shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 17 December 2025. The interim dividend will be paid on or about Wednesday, 14 January 2026.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 16 December 2025 to Wednesday, 17 December 2025, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 15 December 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS PERFORMANCE

For the six months ended 30 September 2025, the Group registered turnover of HK\$1,212 million (2024: HK\$1,209 million), similar to that for the same period of last year. Profit attributable to equity holders dropped 7% to HK\$60.6 million (2024: HK\$65.2 million). Basic earnings per share amounted to HK9.6 cents (2024: HK10.3 cents). The Board has resolved to declare an interim dividend of HK3.6 cents (2024: HK3.8 cents) per share.

For the year 2025, the global economy underwent significant structural changes, as decades-long free trade and supply chain globalisation practices were suddenly disrupted by surging protectionism. As such, the world has officially entered the "Post-Globalisation" era, with profound impacts on different economies, and may even reshape future multilateral relations as well as fundamentally change the current market dynamics.

In April of this financial year, the government of the USA, the world's largest single and most important consumer market, unilaterally slapped tariffs on all imports from most countries in the world, with tariffs on China goods at one point exceeding 100%. These sudden tariffs devastated business and consumer confidence worldwide, escalating the, until-then, relatively localised Sino-USA trade tension into a full-scale global trade war. Even though many of the new tariffs were soon temporarily suspended, and many countries subsequently reached trade agreements with the USA, the months of tense international relations, severe supply-chain disruptions and long-term market uncertainties dimmed all prospects for healthy global economic growth. So much so that, according to the latest World Economic Forum polls, over 70% of national chief economists expected worsening economic conditions in the coming year.

During the period of tariff suspension (i.e. the first quarter of this financial year), USA consumers raced to increase imports and stock up on inventories in order to cope with future supply uncertainties. To some extent, that boosted export growth, leading to a temporary surge in manufacturing activities. Nevertheless, with trade agreements gradually negotiated and uncertainties reduced, the rapid export-driven growth and manufacturing boom started cooling down as stockpiled inventories were slowly digested. As a result, market demand from export-oriented countries, especially China, noticeably weakened during the second quarter of this financial year, with intensified competition and price levels in overall decline. The Group swiftly responded to this headwind with supply chain consolidations and production efficiency improvements that helped reducing costs and keeping gross margins stable. But still, the impacts inevitably remained.

Uncertainties surrounding USA tariff caused most of the Group's customers to postpone investing into new capital equipment, with manufacturers in China being the hardest hit. On the other hand, the Group obtained much better performance in other international markets, for two reasons: firstly, as discussed above, manufacturing activities in general were buoyed by tariff-induced forward demand-pull; secondly, the popular "China + 1" approach of global buyers forced many producers in China to start moving part of their manufacturing to other countries.

MARKET ANALYSIS

Breakdown of turnover, based on the location of customers, for the six months ended 30 September 2025 is as follows:

Customer Location	2025 <i>(HK\$ million)</i>	2024 <i>(HK\$ million)</i>	Change
Mainland China and Hong Kong	844	891	-5%
Taiwan	18	21	-14%
Other overseas countries	350	297	+18%
	1,212	1,209	0%

During the first three quarters of 2025, China managed to achieve a respectable 5.2% GDP growth amid multiple structural issues affecting consumer confidence. Fallout from the real estate bubble lingered on, while municipal government debt concerns, weak consumer sentiments and deflationary pressure continued to subdue market demand, hamper economic activities and suppress prices. In response, the Central Government rolled out a series of stimulus measures, such as rate cuts and reductions in reserve ratios, but without sustainable impact. Weak domestic demand made the economy reliant on exports, which itself was under pressure from high tariffs in the USA. The result was general reluctance to invest, causing China's manufacturing Purchasing Managers' Index (PMI) to contract for the entire first half of this financial year, with small and medium-sized enterprises particularly hard hit.

The market in China which was heavily impacted by the confidence issues of the Chinese economy coupled with uncertainties surrounding high USA tariffs, has directly affected the Group's sales during the first half of this financial year, especially to small and medium-sized customers. Although the Group did successfully penetrate a number of large domestic customers with new technologies and superior service, particularly in the rapid-growing EV's (electric vehicles) sector, overall turnover in China still declined by 5% to HK\$844 million (2024: HK\$891 million).

Taiwanese customers predominantly export to Europe and the USA, and thus were severely affected by high USA tariffs. The Group's Taiwan turnover declined by 14% to HK\$18 million (2024: HK\$21 million).

Internationally, heavy front-loading of orders driven by temporary suspension of USA tariffs fueled the Group's sales growth in many developing countries. The Group has spent the past years establishing a strong global distribution and service network, establishing subsidiaries and service centers in key markets, which allowed us to fully capture this unique wave of demand growth. Nevertheless, risks remain. For instance, only Brazil was experiencing moderate recovery in Latin America, with Argentina yet to emerge from recession, while the Eurozone was overall sluggish due to geopolitical turmoil and spiking energy prices. Although inflation in Turkey finally eased out, currency instability continued to plague its economy. All these represented persistent uncertainties for the Group's turnover in international markets.

India remained the most prominent among major world economies, with GDP growth exceeding 6%. Demographically, it boasts a vast, young labor force, leading to a flood of foreign investment into infrastructure and industry. In recent years, the Indian Government actively promoted itself as the ideal alternative supply source, making it the largest beneficiary of "China + 1". The Group has for decades been deeply entrenched in the Indian market with a wholly-owned subsidiary and professional local teams, and as such should have benefited greatly from this situation. However, in April of this financial year, the Indian Government enacted an anti-dumping tariff on China-made injection moulding machines, severely affecting our operation in-country. Although the Group acted promptly with measures to address the challenges, short-term impacts remained.

Overall, the Group's international turnover grew by 18% to HK\$350 million (2024: HK\$297 million). Performance would have been even stronger had it not been affected by the sudden imposition of anti-dumping tariffs in India.

DEVELOPMENT OF NEW TECHNOLOGIES AND NEW PRODUCTS

This financial year promises to be "AI Year Zero" for the Group, with the launch of the industry's first "AI Molder" intelligent mold-setting service, allowing the Group to take the lead among industry participants in forwarding the Chinese Government's "New-Quality Productivity" and "Industry 5.0" goals. "AI Molder" is a category-defining innovation developed by a top-notch team at a top university, based upon a deep learning AI model which was built by combining the Group's over sixty years of accumulated injection molding expertise with cutting-edge cloud-based AI learning.

“AI Molder” supports, out-of-the-box, over 300 different types of plastic resins and automatically generates machine process settings for different molds based on a few key measurements such as product dimensions. It further assists machine operators in automatically making fine-tune adjustments to settings while powered by the AI model. In recent years, the global injection molding industry has been facing chronic shortages of experienced molding technicians with aging workforce and reluctance of new technicians to enter the business. “AI Molder” addresses these pain points head-on by capturing and generalising molding expertise through AI learning. It effectively helps customers alleviate shortages in key technical personnel, enhance operational efficiency and increase competitiveness, further consolidating the Group's leading position in intelligent molding and smart solutions.

In addition, the Group also plans to launch a number of new product lines that are more cost-effective and market competitive, to assist customers in facing current market challenges.

PRODUCTION AND COST CONTROL

Starting from last year, the Group partnered strategically with a global leading consulting company on a “Lean Manufacturing” project, leveraging their massive expertise, process optimisation experience and knowledge of global best practices. On-site diagnostics and consultations at the Group's production facilities were conducted, and the consultants professionally assisted the Group in systematically mapping out its value-creation pipelines, identifying bottlenecks, optimising line configurations as well as enhancing management efficiency. This project turned out substantial improvements in diverse areas such as capacity utilisation, quality control, production efficiency and structured management.

Under the consultant's guidance, the Group's production facilities continued to adopt lean manufacturing best practices, further aided by self-developed AIoT and MES platforms as well as numerous digital and smart manufacturing upgrades. The Shenzhen Industrial Park, for instance, achieved full connectivity of all machining equipment, with integrated management and continuous optimisation of various aspects including OEE (Overall Equipment Effectiveness), energy consumption, data analytics and processes aided by AI (such as work-flow monitoring). This transformation puts the Group in alignment with China's strategic governmental initiatives of “New Quality Productivity” and “Intelligent Transformation and Digital Upgrading”.

During this financial year, the Group targets to double its production capacity of two-platen large-tonnage machines, as well as construct a new production line for high-end all-electric machines, in order to meet future market demand.

LIQUIDITY AND FINANCIAL CONDITIONS

As at 30 September 2025, the Group had net current assets of HK\$2,022 million (31 March 2025: HK\$1,998 million), which represented an 1% increase as compared to that as at 31 March 2025. Cash and bank balances (including pledged deposits) amounted to HK\$726 million (31 March 2025: HK\$667 million), representing an increase of HK\$59 million as compared to that as at 31 March 2025. As at 30 September 2025, the Group had no bank borrowings (31 March 2025: Nil). The Group recorded a net cash position of HK\$726 million (31 March 2025: HK\$667 million), representing an increase of HK\$59 million as compared to that as at 31 March 2025.

The gearing ratio of the Group is measured as total borrowings net of cash and bank balances divided by total assets. The Group had a net cash position as at 30 September 2025. As a result, no gearing ratio was presented.

It is the policy of the Group to adopt a consistently prudent financial management strategy, sufficient liquidity is maintained to meet the funding requirements of the Group's capital investments and operations.

CHARGE ON ASSETS

As at 30 September 2025, bank deposits of certain subsidiaries of the Group in the amount of HK\$129 million (31 March 2025: HK\$139 million) were pledged for securing the issuance of bank acceptance notes, recorded in the trade and bills payables, to suppliers. In addition, bills receivable of a subsidiary of the Group in the amount of HK\$187 million (31 March 2025: HK\$149 million) was pledged for securing the issuance of bank acceptance notes, included in the trade and bills payables, to suppliers.

CAPITAL COMMITMENTS

As at 30 September 2025, the Group had capital commitments of HK\$6 million (31 March 2025: HK\$22 million), mainly in respect of the construction and upgrading of industrial facilities, the purchases of production equipment in Mainland China, as well as the purchase of warehouse in Europe which are to be funded by internal resources of the Group.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

The Group did not make any significant investments, acquisitions or disposals in relation to its subsidiaries and associated companies during the six months ended 30 September 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 September 2025, the Group had no specific plan for material investments or capital assets.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES BY THE COMPANY

As at 30 September 2025, the Company had not provided any financial assistance and guarantees to affiliated companies which is subject to disclosure requirement under Rule 13.22 of the Listing Rules.

ADVANCE TO AN ENTITY PROVIDED BY THE COMPANY

As at 30 September 2025, the Company had not provided any advance to an entity which is subject to disclosure requirement under Rule 13.20 of the Listing Rules.

TREASURY AND FOREIGN EXCHANGE RISK MANAGEMENT

The Group adopts a prudent approach in managing its funding. Funds, which are primarily denominated in Hong Kong Dollar, the Renminbi, the New Taiwanese Dollar, the United States Dollar and the Euro, are generally placed with banks in short or medium term deposits for working capital of the Group.

The Group, from time to time, assesses the risk exposure on certain volatile foreign currencies and manages it in appropriate manner to minimize the risk.

The Group has substantial investments in Mainland China and is aware that any fluctuation of the Renminbi would have an impact on the net profits of the Group. However, since most of the transactions of the Group are conducted with the Renminbi, the exchange differences have no direct impact on the Group's actual operations and cash flows.

CONTINGENT LIABILITIES

As at 30 September 2025, the Group did not have any significant contingent liabilities (31 March 2025: Nil).

HUMAN RESOURCES

As at 30 September 2025, the Group had approximately 2,700 (31 March 2025: 2,700) full-time employees. The Group offers good remuneration and welfare packages to its employees and maintains market-competitive pay levels. Employees are rewarded based on individual performance as well as the results performance of the Group.

The Group conducted regular programmes, including comprehensive educational and professional training, and social counselling activities, to its employees to enhance staff quality, standards of professional knowledge and teamwork spirit.

OUTLOOK FOR THE SECOND HALF

Global economic outlook remains highly volatile, with looming trade wars and the corresponding uncertainties disrupting and reshaping global supply chains. Under such environment, the Group expects that most of the customers will continue to adopt a cautious attitude regarding capital investments, keeping market demand relatively weak. During the second half of this financial year, the Group expects fierce competition amid rampant over-supply, which will likely intensify price wars.

The Group shall continue to proactively face challenges head-on with its consistent pragmatic approach, introducing new products and technologies to better satisfy market demands, as well as developing promising new markets, such as EV's and 3C. The Group believes that, through strategic sales expansion and aggressive cost reduction measures, it can adequately control risks and maintain its business performance even in adverse conditions.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the six months ended 30 September 2025, the Company has complied with all the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules, except for the following deviations:

Code provision B.2.2 provides that every director should be subject to retirement by rotation at least once every three years. The directors of the Company (except the Chairman of the Company) are subject to retirement by rotation at least once every three years, provided that the chairman and the managing director of the Company are not required to retire by rotation in accordance with the Chen Hsong Holdings Limited Company Act, 1991 of Bermuda.

Code provision C.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Ms. Lai Yuen CHIANG is the Chairman of the Board and Chief Executive Officer of the Company. Given the skills and experience of Ms. CHIANG and her long term of service with the Group, this structure can be considered appropriate to the Group and can provide the Group with strong and consistent leadership for effective and efficient business planning and decisions, as well as execution of long term business strategies.

COMPLIANCE WITH THE MODEL CODE AND THE CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted a Code of Conduct regarding Securities Transactions by the Directors (the “Code of Conduct”) on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Listing Rules. The Company, after having made specific enquiry of all directors, confirms that all directors have complied with the required standard set out in the Code of Conduct and the Model Code throughout the six months ended 30 September 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 September 2025.

REVIEW OF ACCOUNTS

The Audit Committee of the Company has reviewed with the Management the unaudited interim results for the six months ended 30 September 2025 and discussed internal controls and financial reporting matters, including the review of accounting principles and practices adopted by the Group.

On behalf of the Board
CHEN HSONG HOLDINGS LIMITED
Lai Yuen CHIANG
Chairman and Chief Executive Officer

Hong Kong, 21 November 2025

As at the date of this announcement, the executive directors of the Company are Ms. Lai Yuen CHIANG and Mr. Stephen Hau Leung CHUNG, and the independent non-executive directors of the Company are Mr. Harry Chi HUI, Mr. Clement King Man KWOK, Mr. Anish LALVANI and Mr. Johnson Chin Kwang TAN.

Where the English and the Chinese texts conflict, the English text prevails.