CHEN HSONG HOLDINGS LIMITED
震 雄 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00057)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

FINANCIAL HIGHLIGHTS			
	2008	2007	Change
RESULTS HIGHLIGHTS ***(HK$'000)***			
Revenue	**2,316,136**	2,155,014	7%
Profit before tax	**338,974**	337,124	1%
Profit attributable to equity holders of the Company	**317,829**	312,276	2%
Total assets	**3,118,939**	2,661,539	17%
Shareholders' funds	**2,380,863**	2,077,378	15%
Issued share capital	**62,623**	62,416	0%
Net current assets	**1,334,758**	1,132,805	18%
PER SHARE DATA			
Basic earnings per share *(HK cents)*	**50.8**	50.2	1%
Cash dividends per share *(HK cents)*	**25.4**	24.0	6%
Net assets per share *(HK$)*	**3.8**	3.3	15%
KEY FINANCIAL RATIOS			
Return on average shareholders' funds *(%)*	**14.3**	15.9	-10%
Return on average total assets *(%)*	**11.0**	12.2	-10%

SUMMARY OF RESULTS

The board of directors (the "Board") of Chen Hsong Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2008, together with comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2008

		Year ended 31 March	
	Notes	**2008**	2007
		HK$'000	*HK$'000*
REVENUE	*3*	**2,316,136**	2,155,014
Cost of sales		**(1,688,250)**	(1,488,339)
Gross profit		**627,886**	666,675
Other income and gains		**79,761**	21,502
Selling and distribution expenses		**(204,087)**	(180,768)
Administrative expenses		**(144,199)**	(140,395)
Other operating expenses, net		**(17,098)**	(29,662)
Finance costs		**(4,419)**	(2,387)
Share of profits less losses of associates		**1,130**	2,159
PROFIT BEFORE TAX	*4*	**338,974**	337,124
Tax	*5*	**(18,129)**	(24,833)
PROFIT FOR THE YEAR		**320,845**	312,291
ATTRIBUTABLE TO:			
Equity holders of the Company		**317,829**	312,276
Minority interests		**3,016**	15
		320,845	312,291
DIVIDENDS	*6*	**159,240**	150,244
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	*7*		
Basic *(HK cents)*		**50.8**	50.2
Diluted *(HK cents)*		**50.6**	49.8

CONSOLIDATED BALANCE SHEET
As at 31 March 2008

	Notes	**2008** *HK$'000*	2007 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**709,192**	650,172
Prepaid land lease payments		**56,880**	52,950
Goodwill		**94,931**	94,931
Interests in associates		**2,394**	4,570
Available-for-sale equity investments		**124,057**	124,057
Held-to-maturity investments		**-**	-
Deferred tax assets		**69,540**	36,571
Deposits for purchases of items of property, plant and equipment		**17,299**	-
Total non-current assets		**1,074,293**	963,251
CURRENT ASSETS			
Inventories		**709,278**	578,089
Trade and bills receivables	*8*	**874,324**	675,640
Deposits, prepayments and other receivables		**61,500**	49,838
Dividend receivable from an available-for-sale equity investment		**37,800**	-
Cash and bank balances		**361,744**	394,721
Total current assets		**2,044,646**	1,698,288
CURRENT LIABILITIES			
Trade and bills payables	*9*	**410,373**	300,497
Tax payable		**22,795**	16,687
Other payables and accruals		**248,906**	215,245
Bank loans, unsecured		**27,814**	33,054
Total current liabilities		**709,888**	565,483
NET CURRENT ASSETS		**1,334,758**	1,132,805
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,409,051**	2,096,056
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**16,147**	10,711
NET ASSETS		**2,392,904**	2,085,345
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		**62,623**	62,416
Reserves	*10*	**2,318,240**	2,014,962
		2,380,863	2,077,378
Minority interests		**12,041**	7,967
Total equity		**2,392,904**	2,085,345

NOTES:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

The adoption of the new and revised HKFRSs, that are effective for annual periods beginning on or after 1 April 2007, has had no material impact on the accounting policies of the Group and the methods of computation in the Group's consolidated financial statements.

2. SEGMENT INFORMATION

(a) Geographical segments based on the location of customers

The following tables present revenue, results, certain assets, liabilities and expenditure information for the Group's geographical segments.

	Segment revenue from external customers		Segment results	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
People's Republic of China ("PRC") (including Hong Kong)	**1,588,771**	1,491,947	**235,750**	304,517
Taiwan	**257,159**	238,611	**25,636**	18,388
Other overseas countries	**470,206**	424,456	**129,688**	66,254
	2,316,136	2,155,014	**391,074**	389,159
Unallocated income and gains			**3,823**	4,322
Corporate and unallocated expenses			**(52,634)**	(56,129)
Finance costs			**(4,419)**	(2,387)
Share of profits less losses of associates			**1,130**	2,159
Profit before tax			**338,974**	337,124

2. SEGMENT INFORMATION *(continued)*

(a) Geographical segments based on the location of customers *(continued)*

	Segment assets		Segment liabilities	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
PRC (including Hong Kong)	**2,508,207**	2,110,473	**447,133**	352,848
Taiwan	**234,212**	217,158	**102,478**	77,152
Other overseas countries	**270,565**	265,078	**109,668**	85,742
	3,012,984	2,592,709	**659,279**	515,742
Interests in associates	**2,394**	4,570	**-**	-
Unallocated assets	**103,561**	64,260	**-**	-
Unallocated liabilities	**-**	-	**66,756**	60,452
	3,118,939	2,661,539	**726,035**	576,194

	Other segment information					
	Depreciation and amortisation		Other non-cash expenses/(income)		Capital expenditure	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
PRC (including Hong Kong)	**51,809**	52,045	**41,720**	24,260	**55,360**	19,536
Taiwan	**2,190**	2,584	**2,850**	(554)	**761**	900
Other overseas countries	**3,600**	3,458	**4,606**	1,828	**5,847**	1,346
	57,599	58,087	**49,176**	25,534	**61,968**	21,782

2. SEGMENT INFORMATION *(continued)*

(b) Geographical segments based on the location of assets

	Segment assets	
	2008	2007
	HK$'000	*HK$'000*
PRC (including Hong Kong)	**2,572,890**	2,178,740
Taiwan	**440,094**	413,969
	3,012,984	2,592,709
Interests in associates	**2,394**	4,570
Unallocated assets	**103,561**	64,260
	3,118,939	2,661,539

	Capital expenditure	
	2008	2007
	HK$'000	*HK$'000*
PRC (including Hong Kong)	**60,745**	20,101
Taiwan	**1,223**	1,681
	61,968	21,782

(c) Business segments

Over 90% of the Group's revenue and assets are attributable to the manufacture and sale of plastic injection moulding machines and related products. Therefore, no analysis by business segment is presented.

3. REVENUE

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold during the year, after allowances for returns and trade discounts, excluding intra-group transactions.

4. PROFIT BEFORE TAX

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

	2008	2007
	HK$'000	*HK$'000*
Cost of inventories sold	**1,688,250**	1,488,339
Depreciation	**55,794**	56,749
Recognition of prepaid land lease payments	**1,805**	1,338
Gain on disposal of items of property, plant and equipment	**(84)**	(1,006)
Dividend income from an available-for-sale equity investment	**(37,800)**	-
Impairment of trade and bills receivables, net	**14,342**	11,105
Provision for inventories, net	**34,608**	14,933
Interest income	**(3,823)**	(4,322)

5. TAX

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong for the year (2007: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2008	2007
	HK$'000	*HK$'000*
Current:		
Charge for the year		
Hong Kong	**-**	-
Elsewhere	**38,991**	37,303
Overprovision in prior years	**(807)**	(1,056)
Deferred	**(20,055)**	(11,414)
Tax charge for the year	**18,129**	24,833

6. DIVIDENDS

	2008	2007
	HK$'000	*HK$'000*
Additional final dividend due to exercise of share options	**189**	445
Interim dividend of HK$0.08 (2007: HK$0.08) per ordinary share	**50,028**	49,735
Additional interim dividend due to exercise of share options	**59**	198
Proposed final dividend of HK$0.174 (2007: HK$0.16) per ordinary share	**108,964**	99,866
	159,240	150,244

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

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company for the year of HK$317,829,000 (2007: HK$312,276,000) and on the weighted average number of 625,175,677 (2007: 622,518,175) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the Group's profit attributable to equity holders of the Company for the year of HK$317,829,000 (2007: HK$312,276,000) and on the weighted average number of 628,602,816 (2007: 627,573,438) ordinary shares, being the weighted average number of 625,175,677 (2007: 622,518,175) ordinary shares in issue during the year as used in the basic earnings per share calculation and the weighted average number of 3,427,139 (2007: 5,055,263) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options outstanding during the year.

8. TRADE AND BILLS RECEIVABLES

Trading terms with customers are either cash on delivery, bank bills or on credit. Customers are granted credit at the discretion of the Group, subject to their respective business strength and creditability. The average credit period is 90 days and extension of credit period is made for customers with good trading and repayment records. The Group adopts strict control policies over credit terms and receivables that serve to minimise 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. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the balance sheet date is as follows:

	2008	2007
	HK$'000	*HK$'000*
Current	**546,023**	547,809
Less than 90 days past due	**176,622**	93,341
Between 91–180 days past due	**107,104**	19,316
Over 180 days past due	**44,575**	15,174
	874,324	675,640

9. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the balance sheet date is as follows:

	2008	2007
	HK$'000	*HK$'000*
Current	**321,172**	244,629
1–90 days	**69,035**	42,807
91–180 days	**6,341**	3,704
Over 180 days	**13,825**	9,357
	410,373	300,497

The trade and bills payable are non-interest-bearing and are normally settled at terms ranging from 60 to 90 days.

10. RESERVES

	HK$'000
At 1 April 2006	1,777,395
Total income and expense for the year recognised directly in equity:	
Exchange realignment	60,071
Profit for the year	312,276
Total income and expense for the year	372,347
Issue of new shares	8,122
Equity-settled share option arrangements	269
Final dividend for the year ended 31 March 2006	(93,238)
Interim dividend	(49,933)
At 31 March 2007 and 1 April 2007	2,014,962
Total income and expense for the year recognised directly in equity:	
Exchange realignment	132,193
Profit for the year	317,829
Total income and expense for the year	450,022
Issue of new shares	3,146
Equity-settled share option arrangements	252
Final dividend for the year ended 31 March 2007	(100,055)
Interim dividend	(50,087)
At 31 March 2008	2,318,240

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK17.4 cents (2007: HK16 cents) per ordinary share, subject to shareholders' approval at the forthcoming annual general meeting. Together with the interim dividend of HK8 cents (2007: HK8 cents) per ordinary share, the total dividend for the year ended 31 March 2008 will be HK25.4 cents (2007: HK24 cents) per ordinary share.

The final dividend will be paid on or about 18 September 2008 to shareholders whose names appear on the Register of Members of the Company on 25 August 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 20 August 2008 to Monday, 25 August 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 19 August 2008.

MANAGEMENT'S DISCUSSION & ANALYSIS

BUSINESS PERFORMANCE

The Group registered the sixth consecutive year of turnover and profit growth in the financial year of 2008, with turnover growing 7% to HK$2,316 million (2007: HK$2,155 million) and profit attributable to equity holders growing 2% to HK$318 million (2007: HK$312 million). Basic earnings per share also increased by 1% to HK50.8 cents (2007: HK50.2 cents).

This financial year has been an exceptionally challenging one for the plastic machinery industry. Although the Group managed a stable turnover growth (14%) during the first half of the financial year, a large number of unfavourable factors that started emerging during the second half (i.e. after September 2007) caused the market to slow down substantially. Among these factors, the more significant were:

- World crude oil prices sky-rocketed from US$60 per barrel in early 2007 to US$110 per barrel in March 2008 – almost a doubling in slightly more than one year – with most of the increase occurring in the third and fourth quarter. For instance, oil price rose in an unprecedented swing from US$80 per barrel to US$100 per barrel within the two months of October and November 2007 alone.

- Rapidly rising crude oil prices drove plastic prices to new heights previously unseen. For example, local China PP (polypropylene) prices rose from RMB11,000 per ton in early 2007 to RMB17,000 per ton in early 2008 – an increase of nearly 60% within the time frame of one year. Most producers of plastic products (especially exporters bound by supply contracts) are taking a significant hit in gross margins, or are already in the red.

- At the same time, the U.S. economy slipped into a recession, dragged down by an escalating sub-prime mortgage crisis. The U.S. Federal Reserve slashed interest rates seven consecutive times since September 2007 without restoring consumer confidence. As the U.S. remains one of the largest export markets for China goods, its economic recession has direct impacts on orders for exporting companies operating in China.

Caught within the two prongs of rising plastic prices and weak demand, exporters in China are generally pessimistic regarding prospects for the near future, which in turn significantly reduced equipment investment plans for these companies, thereby limiting the Group's sales growth.

The price of the Group's more important raw materials – iron and steel – sustained a rapid rise throughout the last year. For example, standard 20 mm steel plates went from RMB4,000 per ton in early 2007 to RMB6,000 per ton in March 2008, an increase of more than 50%. Some grades of steel used by the Group had even accumulated a growth of 80% over this year. Unfortunately, these cost increases cannot be easily absorbed through raising sales prices under the current weak market conditions, and consequently the Group's gross margin suffered during the second half of the financial year.

MARKET ANALYSIS

Breakdown of turnover, based on the location of customers, for the year ended 31 March 2008 is as follows:

Customer Location	**2008** *(HK$ million)*	2007 *(HK$ million)*	Change
China (including Hong Kong)	**1,589**	1,492	+7%
Taiwan	**257**	239	+8%
Other overseas countries	**470**	424	+11%
	2,316	2,155	+7%

For the China market, this has been a difficult year. First of all, an international toys recall incident decremented the toys industry, which traditionally accounted for more than 15% of the Group's sales, with an estimated 10% impact on the Group's annual turnover.

The Chinese Government implemented a series of measures to reduce Sino-U.S. trade deficit, which included further reducing export VAT rebates and levying raw material deposits for "reprocessors." The impacts on exporting companies had been devastating. Nevertheless, the Group still managed, through perseverant efforts of the local sales team, a healthy 14% sales growth in China during the first half of the financial year.

New unfavourable factors continued to emerge during the second half. To begin with, a new "Labour Contract Law" that came into effect has attracted tremendous attention from all aspects of society. Many large corporations currently adopt a reserved view of the new law, fearing the significant labour cost increases and management instabilities that may follow. Coupled with rapidly rising plastic prices and weak order demand from the U.S. and Europe markets, these factors put a veil over future prospects and lowered visibility. As large companies form much of the Group's core customers segment, the impacts of such sentiments still lingering over the market, with these customers taking an extremely passive attitude towards capacity expansion, have been stronger than anticipated.

Other unfavourable factors such as the devastating snow storm in central China during the fourth quarter, the Chinese Government raising interest rates multiple times and increasing bank cash reserves in a bid to tighten money supply, all contributed to a substantially challenging and low-growth year for the China market. Nevertheless, for the full financial year, the Group's China sales still grew 7% to HK$1,589 million (2007: HK$1,492 million).

Turnover in the Taiwan domestic market grew 8% to HK$257 million (2007: HK$239 million), driven by an emerging high-end electronics industry. In the future, the Group will continue to develop more advanced products tailored for these high-end markets in order to achieve even better cost effectiveness and consolidate the Group's competitive advantages in this new industry segment.

As to the international market, the Group registered a stable growth of 11% to HK$470 million (2007: HK$424 million). Market sentiments in the U.S. and Europe weakened significantly during the second half, dragged down primarily by the U.S. economic recession. However, the Group still retains significant penetration in a number of key industry segments (e.g. household electrical appliances). In addition, following the Group's expansion in large-tonnage machine production capacity, export volume of such machines increased rapidly during the past year, while at the same time bringing other product lines to new potential markets. As large-tonnage machines had been the primary growth driver in many countries (especially the automotive section in South America and Europe), and matched with the technical superiority of the Group's small-to-medium tonnage machines, more customers will be reached and market shares in rapidly developing countries (such as Poland, India, Brazil etc.) will be raised.

In the coming financial year, two of the Group's major promotional products will be the new "TP" series of two-platen, very-large-tonnage machines, and models with advanced energy-saving technologies. These products are best positioned to fulfill the needs of high-growth and demanding industries (such as automotive) in China and internationally.

NEW TECHNOLOGIES AND NEW PRODUCTS DEVELOPMENT

The Group introduced its new two-platen, very-large-tonnage series (from 2,200 to 4,500 tons) injection moulding machines during this financial year amid broadly favourable customer responses. This new product series was created by a team of Japanese and Chinese experts and its "true two-platen" design represents a quantum leap in specifications and production flexibility over traditional "toggle" or "2.5-platen" designs. In particular, innovative patented technologies such as a unique tie-bar locking mechanism, high-speed automatic mould-height adjustment feature and superior hydraulic connections design, give the machine an unprecedented mixture of high speed, high precision, high stability and low noise operation. This new series of very-large-tonnage machines is ideal for producing a wide range of automotive parts and household appliances, and will surely contribute to raising the Group's market share in these high-growth industries.

In addition to environmental significance, “energy-saving” has recently become a crucial factor for customers trying to protect eroding margins caused by constantly-rising oil prices, high electricity prices and weak demand for plastic goods. The Group has always been a fore-runner in energy-saving technology, being the first manufacturer worldwide to introduce energy-saving features into its full line of injection moulding machines in the year 2000, closely followed by the world’s only series of energy-saving large-tonnage machines. For the general plastics machinery market, “energy-saving” is synonymous with “Chen Hsong”. The Group’s past and future investments into developing generations of energy-saving products is evident from the fact that most of the various types of energy-saving technologies in the market today, such as VDP systems, inverter servo systems, servomotor systems, servopump systems, master-slave closed-loop electronic VDP systems (for use in large-tonnage machines) etc., originated from the Group’s R&D centres and were first successfully demonstrated on the Group’s machines.

Today, energy-saving has become mainstream. Nevertheless, different industries require different types of energy-saving techniques due to their unique production requirements. Therefore, it is imperative that a broad range of technologies are available to satisfy the needs of diverse groups of customers in order to achieve the highest cost effectiveness. The Group will continue to leverage on its wide portfolio of energy-saving technologies to maintain its historical leadership and competitive advantage in the market.

The Group introduced its Ai/1000 series of ultra-high-speed injection moulding machines in the K’2007 plastics show in Germany. This new product successfully broke through the 500 mm per second injection speed ceiling achieved last year to achieve the world-class level of 1,000 mm per second. It is ideally suited for producing extremely thin-walled products (such as mobile phones, batteries, notebook computers). The Group also showcased the first 72-cavity PET preform system in Asia – the CHEN-PET CPE-110 – with productivity reaching world-class levels.

During this financial year, the Group successfully introduced its new “Ai” series of advanced intelligent computer controllers, and has fully replaced older generation controllers in all of the Group’s machines. Manufactured by the most advanced SMT technology, the “Ai” series of advanced controllers boast stronger capabilities, faster speed and higher precision than all other controllers of similar grade on the market. A series of unique intelligent diagnostic and maintenance features, plus support for the new iChen™ Wireless system, contributed to the “Ai” controller’s wide popularity.

PRODUCTION EFFICIENCY AND COST CONTROL

The Group prides itself in high production efficiency. During the first significant increase of steel prices in 2004, the Group managed to alleviate much of the cost impacts through optimisations of its production processes and raising efficiency. This time around, it was different – the steel price increase was simply too significant to be fully absorbed. The Group will continue to combat this cost increase by further optimising its product designs, ever improving production efficiency, and seeking more savings from procurement and logistics, but gross margin pressure is nevertheless unavoidable.

FINANCIAL REVIEW

Liquidity and Financial Conditions

As at 31 March 2008, the Group had net current assets of HK$1,335 million (2007: HK$1,133 million), which represented an 18% increase over last year. Included in the net current assets were the bank balances of HK$362 million (2007: HK$395 million), a decrease of HK$33 million over last year, and the bank borrowings of HK$28 million (2007: HK$33 million), a decrease of HK$5 million. The bank borrowings were of short-term bank loans with floating interest rates, mainly used as working capital for the subsidiaries of the Group.

It is the policy of the Group to adopt a consistent financial management strategy, sufficient liquidity is maintained with appropriate levels of borrowings to meet the funding requirements of the Group's investments and operations.

Treasury and Foreign Exchange Management

The Group adopts a conservative and centralised approach in managing its funding. Funds, primarily denominated in Hong Kong dollars, U.S. dollars and Renminbi, are normally placed with banks in short or medium term deposits for the working capital of the Group.

For foreign exchange risk management, the Group manages to reduce the risk exposure on its assets denominated in foreign currencies by making appropriate levels of borrowings in the corresponding currencies. As at 31 March 2008, the Group had total foreign currency borrowings equivalent to HK$28 million (2007: HK$33 million). The Group, from time to time, assesses the risk exposure on certain volatile foreign currencies and has it covered by forward exchange contracts to minimize the risk.

HUMAN RESOURCES DEVELOPMENT

As at 31 March 2008, the Group, excluding its associates, had approximately 3,700 (2007: 3,500) full-time employees. The Group offers good remuneration and welfare packages to its employees and maintains market-competitive pay levels. Employee promotions and pay are rewarded on individual as well as the results performance of the Group. Share options of the Company are granted to selected employees of the Group for rewarding and retaining talents.

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

FUTURE PROSPECTS

The market continues to be plagued by unfavourable factors – the continued rise of China iron and steel prices in particular. Forecastability and visibility is low at this point of time.

This year is the Group's 50th anniversary, and the Group's management team shall continue to do their utmost in developing new markets and new products, in order to reward loyal customers for their support and our shareholders for many years of trust.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year ended 31 March 2008, except for Code Provision A.4.2, as the chairman and managing director of the Company shall not be required to retire by rotation according to the provision contained in the Chen Hsong Holdings Limited Company Act, 1991 of Bermuda.

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 year ended 31 March 2008.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with Management and the Company's external auditors, the consolidated financial statements for the year ended 31 March 2008 including the accounting principles and practices adopted by the Group. Also, this preliminary results announcement has been agreed with the Company's external auditors.

On behalf of the Board
Chen CHIANG
Chairman

Hong Kong, 15 July 2008

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.