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 2008

FINANCIAL HIGHLIGHTS

	For the six months ended 30 September		
	2008	2007	Change
	(Unaudited)	(Unaudited)	
RESULTS HIGHLIGHTS *(HK$'000)*			
Revenue	**1,168,267**	1,208,092	-3%
Profit before tax	**134,135**	212,393	-37%
Profit attributable to equity holders of the Company	**113,763**	186,337	-39%
Total assets	**3,290,050**	2,832,799	16%
Shareholders' funds	**2,394,592**	2,199,651	9%
Issued share capital	**62,883**	62,534	1%
Net current assets	**1,280,155**	1,253,593	2%
PER SHARE DATA			
Basic earnings per share *(HK cents)*	**18.1**	29.8	-39%
Cash dividends per share *(HK cents)*	**2.0**	8.0	-75%
Net assets per share *(HK dollars)*	**3.8**	3.5	9%
KEY FINANCIAL RATIOS			
Return on average shareholders' funds *(%)*	**4.8**	8.7	-45%
Return on average total assets *(%)*	**3.6**	6.8	-47%

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 2008 amounted to HK$113,763,000, representing a decrease of 39% as compared with the profit attributable to equity holders of HK$186,337,000 for the corresponding period last year. Basic earnings per share for the six months ended 30 September 2008 was HK18.1 cents, a decrease of 39% over the corresponding period in 2007 of HK29.8 cents. These unaudited interim results have been reviewed by the Company's Audit Committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2008

		Six months ended 30 September	
		2008	2007
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	*2*	**1,168,267**	1,208,092
Cost of sales		**(875,063)**	(829,704)
Gross profit		**293,204**	378,388
Other income and gains		**16,876**	17,808
Selling and distribution expenses		**(120,978)**	(101,639)
Administrative expenses		**(72,160)**	(72,589)
Other operating income/(expenses), net		**18,739**	(9,394)
Finance costs		**(2,684)**	(1,140)
Share of profits less losses of associates		**1,138**	959
PROFIT BEFORE TAX	*3*	**134,135**	212,393
Tax	*4*	**(18,412)**	(23,515)
PROFIT FOR THE PERIOD		**115,723**	188,878
ATTRIBUTABLE TO:			
Equity holders of the Company		**113,763**	186,337
Minority interests		**1,960**	2,541
		115,723	188,878
DIVIDEND - INTERIM	*5*	**12,577**	50,028
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	*6*		
Basic *(HK cents)*		**18.1**	29.8
Diluted *(HK cents)*		**18.1**	29.6

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 September 2008

	Notes	30 September 2008 (Unaudited) HK$'000	31 March 2008 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**766,315**	709,192
Prepaid land lease payments		**56,850**	56,880
Goodwill		**94,931**	94,931
Interests in associates		**14,625**	2,394
Available-for-sale equity investments		**124,057**	124,057
Deferred tax assets		**77,929**	69,540
Deposits for purchases of items of property, plant and equipment		**17,006**	17,299
Total non-current assets		**1,151,713**	1,074,293
CURRENT ASSETS			
Inventories		**827,232**	709,278
Trade and bills receivables	*7*	**864,471**	874,324
Deposits, prepayments and other receivables		**107,267**	61,500
Dividend receivables from an available-for-sale equity investment		**19,569**	37,800
Cash and bank balances		**319,798**	361,744
Total current assets		**2,138,337**	2,044,646
CURRENT LIABILITIES			
Trade and bills payables	*8*	**456,727**	410,373
Tax payable		**15,526**	22,795
Other payables and accruals		**201,057**	248,906
Bank loans, unsecured		**184,872**	27,814
Total current liabilities		**858,182**	709,888
NET CURRENT ASSETS		**1,280,155**	1,334,758
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,431,868**	2,409,051
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**22,830**	16,147
NET ASSETS		**2,409,038**	2,392,904
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		**62,883**	62,623
Reserves	*9*	**2,331,709**	2,318,240
		2,394,592	2,380,863
Minority interests		**14,446**	12,041
Total equity		**2,409,038**	2,392,904

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 16 of 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 2008, except that the Group has adopted, for the first time for the current period's financial statements, the new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), HKASs and Interpretations (hereinafter collectively referred to as the "New HKFRSs") issued by the HKICPA that are effective for the annual periods commencing on or after 1 January 2008.

The adoption of the New HKFRSs has had no material impact on the accounting policies of the Group and the methods of the computation in the Group's condensed interim financial statements.

2. REVENUE AND SEGMENT INFORMATION

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

An analysis of the Group's segment revenue and results by geographical location of customers is as follows:

	Segment revenue from external customers Six months ended 30 September		Segment results Six months ended 30 September	
	2008	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
People's Republic of China (including Hong Kong)	**707,438**	848,853	**99,107**	171,213
Taiwan	**154,894**	114,547	**14,646**	13,614
Other overseas countries	**305,935**	244,692	**44,427**	53,860
	1,168,267	1,208,092	**158,180**	238,687
Unallocated income and gains			**1,156**	2,279
Corporate and unallocated expenses			**(23,655)**	(28,392)
Finance costs			**(2,684)**	(1,140)
Share of profits less losses of associates			**1,138**	959
Profit before tax			**134,135**	212,393

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

3. PROFIT BEFORE TAX

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

	Six months ended 30 September	
	2008	2007
	HK$'000	*HK$'000*
Cost of inventories sold	**875,063**	829,704
Depreciation	**30,324**	26,436
Recognition of prepaid land lease payments	**950**	935
Loss on disposal of items of property, plant and equipment	**16**	7
Provision/(write-back of provision) for inventories, net	**(5,229)**	628
Interest income	**(1,156)**	(2,279)

4. TAX

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits arising in Hong Kong for the period (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.

	Six months ended 30 September	
	2008	2007
	HK$'000	*HK$'000*
Current:		
Charge for the period		
Hong Kong	**-**	-
Elsewhere	**17,246**	23,473
Underprovision in prior periods	**274**	-
Deferred	**892**	42
Tax charge for the period	**18,412**	23,515

5. DIVIDENDS

	Six months ended 30 September	
	2008	2007
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year, approved and paid during the interim period, of HK$0.174 (2007: HK$0.16) per ordinary share	**108,964**	99,866
Additional final dividend due to exercise of share options	**453**	189
	109,417	100,055
Interim dividend declared after the interim period end of HK$0.02 (2007: HK$0.08) per ordinary share	**12,577**	50,028

6. 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 period of HK$113,763,000 (2007: HK$186,337,000) and on the weighted average number of 628,359,054 (2007: 624,525,840) ordinary shares in issue during the period.

The calculation of diluted earnings per share is based on the Group's profit attributable to equity holders of the Company for the period of HK$113,763,000 (2007: HK$186,337,000) and on the weighted average number of 629,127,143 (2007: 628,665,096) ordinary shares, being the weighted average number of 628,359,054 (2007: 624,525,840) ordinary shares in issue during the period as used in the basic earnings per share calculation and the weighted average number of 768,089 (2007: 4,139,256) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options outstanding during the period.

7. 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 minimize credit risk. The carrying amounts of the trade and bills receivables approximate to their fair values.

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 that are not considered to be impaired as at the balance sheet date is as follows:

	30 September 2008 *HK$'000*	31 March 2008 *HK$'000*
Current (neither past due nor impaired)	**554,763**	546,023
Less than 90 days past due	**153,900**	176,622
91 to 180 days past due	**83,313**	107,104
Over 180 days past due	**72,495**	44,575
	864,471	874,324

8. TRADE AND BILLS PAYABLES

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

	30 September 2008 *HK$'000*	31 March 2008 *HK$'000*
Current	**359,031**	321,172
1 to 90 days	**83,054**	69,035
91 to 180 days	**5,207**	6,341
Over 180 days	**9,435**	13,825
	456,727	410,373

The trade and bills payables are non-interest-bearing. The carrying amounts of the trade and bills payables approximate to their fair values.

9. RESERVES

	HK$'000
As at 1 April 2007	2,014,962
Total income and expense for the period recognized directly in equity:	
Exchange realignment	33,891
Profit for the period	186,337
Total income and expense for the period	220,228
Issue of new shares	1,856
Equity-settled share option arrangements	126
Final dividend for the year ended 31 March 2007	(100,055)
As at 30 September 2007	2,137,117
As at 1 April 2008	2,318,240
Total income and expense for the period recognized directly in equity:	
Exchange realignment	4,189
Profit for the period	113,763
Total income and expense for the period	117,952
Issue of new shares	4,920
Equity-settled share option arrangements	14
Final dividend for the year ended 31 March 2008	(109,417)
As at 30 September 2008	2,331,709

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK2.0 cents (2007: HK8.0 cents) per ordinary share for the six months ended 30 September 2008 to shareholders whose names appear on the Register of Members of the Company at the close of business on Monday, 5 January 2009. The interim dividend declared will be paid on or about Wednesday, 14 January 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 31 December 2008 to Monday, 5 January 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms 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 not later than 4:30 p.m. on Tuesday, 30 December 2008.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS PERFORMANCE

The Group registered total turnover during the six months ended 30 September 2008 of HK$1,168 million (2007: HK$1,208 million), a decline of 3% as compared with the same period last year. Profit attributable to equity holders and basic earnings per share both decreased by 39% to HK$114 million (2007: HK$186 million) and HK18.1 cents (2007: HK29.8 cents) respectively. The Board has resolved to declare an interim dividend of HK2.0 cents (2007: HK8.0 cents) per share.

The three major challenges experienced in the second half of last financial year continued in the first six months of this financial year, that of: tightening credit in China, high crude oil prices, sky-rocketing iron and steel prices.

The Chinese Government continued to raise interest rates and tighten bank credit during the first half of this financial year in a bid to cool its run-away economic growth, with catastrophic impacts on the funding sources relied upon by manufacturing customers (especially SMEs and private enterprises). At the same time, international crude oil prices rose from US$100 per barrel in the beginning of 2008 to a peak of US$150 per barrel, causing prices of plastic resins to also rise to new heights, which in turn eliminated the profit margins of the plastic goods manufacturing industry – some even at a loss. On the other hand, prices of iron and steel, in a short period of time, continued to break records to peak at nearly 40% higher than the beginning of 2008, creating substantial pressure on the Group's cost structure. The Group has successfully transferred part of this cost increase to customers during this first half of the financial year, resulting in slightly higher gross margin than the second half of last year. Nevertheless, as compared to the same period last year, due to the significant differences in iron and steel costs between these two periods, average gross margin was still eroded by around 6%.

MARKET ANALYSIS

Different impacts were observed in diverse geographies with regard to the three main negative factors mentioned above, and the Group has adopted strategies that are appropriate for each of these markets based on their unique conditions. Breakdown of turnover, based on the location of customers, for the six months ended 30 September 2008 is as follows:

Customer Location	**2008** ***(HK$ million)***	2007 *(HK$ million)*	Change
China (including Hong Kong)	**707**	849	-17%
Taiwan	**155**	114	+36%
Other overseas countries	**306**	245	+25%
	1,168	1,208	-3%

To begin with, the above-mentioned negative factors had the deepest impacts on China, as traditionally Chinese customers required higher levels of credit than other international markets, especially during this period when the Chinese Government further tightened credit in the financial sector, causing a rapid rise in customers' demand for supplier-provided credit. At the same time, the new "Labour Contract Law", which came into effect in the beginning of 2008, was viewed with reserved attitude by most corporations. As much of the Group's customer base employs large quantities of manual labour, the new law inevitably created great pressure on their cost structures which, coupled with rapidly increasing plastic resin prices, was to pose significant challenges to their ability to manage and govern its labour force. Since the Group's management had always kept an active monitor on the "pulse" of its customers' operations, it came to the conclusion early that deteriorating market sentiments warranted caution and started to implement, during the second quarter, more conservative risk assessment policies for new customers.

On the other hand, the Group registered high growth in international markets due to continued expanding efforts in developing countries with high potentials in Asia and Eastern Europe. The Asian market continued its strong trend of growth last financial year to overachieve itself during the first half of this financial year. In Eastern Europe, a newly developed market, the products that the Group introduced during the past few years were generally accepted and widely praised, resulting in attractive growth for the first half of this year. As international markets typically pay for purchases by irrevocable letters of credit or with export credit insurance – which is consistent with the Group's new, more conservative credit policies – the Group shall make every endeavour to continue to invest appropriate resources in the international markets in the future.

Growth in the domestic Taiwan market was primarily due to capacity expansions of several large customers (electronics, computers and mobile phones). Orders from other customers, comparatively, remained stable.

NEW TECHNOLOGIES AND NEW PRODUCTS DEVELOPMENT

Since introducing the new "**SUPERMASTER** Energy Saving Two-Platen Advanced Series" (2,200-ton) injection moulding machine last year, the Group further introduced this half year the 2,600-ton and 3,600-ton models of the same series. This new product series, developed in-house with complete ownership of intellectual properties, was rapidly gaining acceptance and popularity among users of large-tonnage machines. By the first half of next year, the Group will further complete development of the 3,000-ton and 4,500-ton models to complete the series. As the many unique design features and patented technologies in this new product series enabled an unprecedented mixture of cost effectiveness and performance, the Group believes that, in the near future, it will start capturing a growing share of the lucrative large-tonnage machines segment with competitive advantages that cannot be easily surpassed.

In addition, the new series of high-performance servo-driven injection moulding machines that the Group introduced last year was also gaining popularity among the marketplace. The Group, the undisputed market leader in energy-saving technology, had invested in (and reaped the results of) the development of a number of diverse technologies, each suitable for the unique requirements of a different application industry – there is no such thing as a “one-size-fits-all” technology. As energy-saving became mainstream, and with higher and higher performance required of machines, this new product series should uniquely position the Group to capture new orders from large customers.

For years the Group has focused on in-house development of novel and unique technologies. Research and development has always been one of the most important pillars of the Group’s operations and will continue to be so despite any future market challenges.

LIQUIDITY AND FINANCIAL CONDITIONS

As at 30 September 2008, the Group had net current assets of HK$1,280 million (2007: HK$1,254 million), which represented a 2% increase over last year. Included in the net current assets were the bank balances of HK$320 million (2007: HK$350 million), a decrease of HK$30 million over last year, and the bank borrowings of HK$185 million (2007: HK$24 million), an increase of HK$161 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 RISK MANAGEMENT

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

For foreign exchange risk management, the Group manages to reduce the risk exposure on its foreign currencies by making appropriate levels of borrowings in the corresponding currencies. As at 30 September 2008, the Group had total foreign currency borrowings equivalent to HK$35 million (2007: HK$24 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

As at 30 September 2008, the Group, excluding its associates, had approximately 3,800 (2007: 3,600) 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 conducts 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.

OUTLOOK OF THE SECOND HALF

Throughout its 50-year history, the Group has encountered many financial upheavals, including the Cold War period in the 60's, the Oil Crisis in the 70's, recessions and stock market crash in the 80's, the Asian Financial Crisis in the 90's, and the burst of the Internet bubble, 911 terrorist attack, SARS etc. after 2000. Nevertheless, the current wave of global "Financial Tsunami" is unprecedented in magnitude of shock and speed of deterioration. Most previous financial crises were restricted to particular world regions, but due to globalization, the current crisis breaks regional boundaries to impact most countries in the world – and to all companies and corporations this has been a challenge never before experienced and faced.

The Group is taking a very serious attitude towards this global financial crisis, in the form of a series of emergency measures and policies that can immediately prepare it to better handle this unprecedented challenge. The core principle behind these emergency measures is maximum cash preservation via a strong and effective cash flow management program. Many of these measures and policies were established and put in operation in early September and they include:

1. A fundamental review of all operational plans and expense budgets; immediate adjustments were made according to the latest market conditions.

2. Round-the-clock tightened monitoring and updating of customer operating conditions in order to ensure appropriate and prompt response.

3. Revised credit approval procedures and strengthened review policies of credit terms based on the conditions of different markets.

4. Focus on inventory reduction as the primary objective in order to maximize cash flow.

5. Review human resource requirements, kept employees and staff fully updated on the latest conditions via large-scale communication sessions, and implemented new measures to optimize labour structure – including flexible working hours. These measures were intended to ride the tide over the tough times with all the employees.

Based on feedbacks from multiple sources, the Group realizes that the current financial crisis may persist for a long period of time, and in the near future will continue the above-mentioned measures and policies, and to focus on generating healthy cash flows as its primary objective. Against such market turmoil and an unpredictable economic environment, the Group firmly believes that maintaining corporate sustainability/survivability is paramount over other considerations. Through closely monitoring market conditions and sentiments, the Group will continue to adjust its policies and strategies to timely respond to any changes. As the Group is currently in net cash position, it is confident that, with all employees and staff being focused on facing the coming challenges, it can weather the current financial crisis in strong and healthy state to take full advantage of the market recovery that will arrive afterwards.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the six months ended 30 September 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.

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

The Company has adopted a code of conduct regarding securities transactions by directors (the "Code") on terms no less exacting than the required standard set out in the Model Code contained in Appendix 10 of the Listing Rules (the "Model Code"). The Company, having made specific enquiry of all directors, confirms that the directors have complied with the required standards set out in the Model Code and the Code for the period under review.

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 2008.

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with the Management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited interim results for the six months ended 30 September 2008.

By Order of the Board
Chen CHIANG
Chairman

Hong Kong, 5 December 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.