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 2025

FINANCIAL HIGHLIGHTS			
	2025	2024	Change
RESULTS HIGHLIGHTS *(HK$'000)*			
Revenue	**2,594,735**	2,009,545	29%
Profit before tax	**189,625**	125,142	52%
Profit attributable to equity holders of the Company	**154,386**	100,853	53%
Total assets	**4,358,964**	4,143,750	5%
Shareholders' funds	**3,081,570**	3,057,530	1%
Issued share capital	**63,053**	63,053	0%
Net current assets	**1,997,648**	1,985,180	1%
PER SHARE DATA			
Basic earnings per share *(HK cents)*	**24.5**	16.0	53%
Cash dividends per share *(HK cents)*	**11.8**	8.0	48%
Net assets per share *(HK$)*	**4.9**	4.9	0%
KEY FINANCIAL RATIOS			
Return on average shareholders' funds *(%)*	**5.0**	3.3	52%
Return on average total assets *(%)*	**3.6**	2.4	50%

SUMMARY OF RESULTS

The board of directors (the "Board") of Chen Hsong Holdings Limited (the "Company") announces that the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2025, together with comparative figures for the previous year, are as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2025

	Notes	**2025**	2024
		HK$'000	*HK$'000*
REVENUE	*3*	**2,594,735**	2,009,545
Cost of sales		**(1,984,983)**	(1,532,561)
Gross profit		**609,752**	476,984
Other income and gains, net		**106,880**	108,357
Selling and distribution expenses		**(279,851)**	(219,167)
Administrative expenses		**(145,401)**	(153,069)
Other operating expenses, net		**(101,605)**	(86,712)
Finance costs		**(1,561)**	(1,199)
Share of profits less losses of associates		**1,411**	(52)
PROFIT BEFORE TAX	*4*	**189,625**	125,142
Income tax expense	*5*	**(35,620)**	(26,283)
PROFIT FOR THE YEAR		**154,005**	98,859
ATTRIBUTABLE TO:			
Equity holders of the Company		**154,386**	100,853
Non-controlling interests		**(381)**	(1,994)
		154,005	98,859
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	*7*		
Basic *(HK cents)*		**24.5**	16.0
Diluted *(HK cents)*		**24.5**	16.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2025

	2025	2024
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**154,005**	98,859
OTHER COMPREHENSIVE INCOME/(EXPENSES)		
Other comprehensive expenses that may be reclassified to the income statement in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**(74,574)**	(84,067)
Share of other comprehensive expenses of associates	**(345)**	(1,004)
Release of exchange fluctuation reserve upon disposal of subsidiaries	**(2,062)**	-
Net other comprehensive expenses that may be reclassified to the income statement in subsequent periods	**(76,981)**	(85,071)
Other comprehensive income/(expenses) that will not be reclassified to the income statement in subsequent periods:		
Actuarial gains on defined benefit plan	**462**	1,755
Gain on property revaluation	**-**	72,112
Income tax effect	**-**	(18,028)
	-	54,084
Net other comprehensive income that will not be reclassified to the income statement in subsequent periods	**462**	55,839
OTHER COMPREHENSIVE EXPENSES FOR THE YEAR, NET OF TAX	**(76,519)**	(29,232)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**77,486**	69,627
ATTRIBUTABLE TO:		
Equity holders of the Company	**78,127**	72,129
Non-controlling interests	**(641)**	(2,502)
	77,486	69,627

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	**2025**	2024
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**546,815**	551,750
Investment properties		**358,347**	388,071
Right-of-use assets		**56,111**	58,120
Goodwill		**51,905**	51,905
Intangible assets		**1,808**	2,648
Investments in associates		**25,673**	24,607
Deferred tax assets		**28,880**	31,065
Deposits for purchases of items of property, plant and equipment		**12,953**	5,474
Trade and bills receivables	*8*	**109,824**	86,214
Defined benefit assets		**5,041**	4,764
Total non-current assets		**1,197,357**	1,204,618
CURRENT ASSETS			
Inventories		**788,554**	694,637
Trade and bills receivables	*8*	**1,463,974**	1,232,090
Deposits, prepayments and other receivables		**242,116**	137,119
Finance lease receivables	*9*	**-**	1,610
Pledged bank deposits		**138,784**	47,899
Cash and bank balances		**528,179**	825,777
Total current assets		**3,161,607**	2,939,132
CURRENT LIABILITIES			
Trade and bills payables	*10*	**816,347**	623,110
Other payables, accruals and contract liabilities		**302,654**	290,667
Lease liabilities		**4,274**	3,429
Tax payable		**40,684**	36,746
Total current liabilities		**1,163,959**	953,952
NET CURRENT ASSETS		**1,997,648**	1,985,180
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,195,005**	3,189,798

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

As at 31 March 2025

	2025	2024
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Other payables and accruals	**4,431**	11,195
Lease liabilities	**13,262**	13,910
Deferred tax liabilities	**88,940**	90,624
Total non-current liabilities	**106,633**	115,729
NET ASSETS	**3,088,372**	3,074,069
EQUITY		
Equity attributable to equity holders of the Company		
Issued share capital	**63,053**	63,053
Reserves	**3,018,517**	2,994,477
	3,081,570	3,057,530
Non-controlling interests	**6,802**	16,539
TOTAL EQUITY	**3,088,372**	3,074,069

NOTES:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. Defined benefit assets are measured using the projected unit credit actuarial valuation method.

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRS Accounting Standards are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(continued)*

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 April 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on the locations of customers. The following tables present revenue, results, certain assets, liabilities and expenditure information for the Group's operating segments for the years ended 31 March 2025 and 2024.

	Segment revenue from external customers		**Segment results**	
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Mainland China and Hong Kong	**1,840,082**	1,449,902	**183,370**	114,900
Taiwan	**38,616**	37,815	**(1,610)**	(3,682)
Other overseas countries	**716,037**	521,828	**26,825**	37,497
	2,594,735	2,009,545	**208,585**	148,715

Reconciliation of results of operating segments to profit before tax is as follows:		
Operating segment results	**208,585**	148,715
Unallocated income and gains	**28,726**	23,828
Corporate and unallocated expenses	**(48,500)**	(47,280)
Finance costs (other than interest on lease liabilities)	**(597)**	(69)
Share of profits less losses of associates	**1,411**	(52)
Profit before tax	**189,625**	125,142

2. OPERATING SEGMENT INFORMATION *(continued)*

	Segment assets		Segment liabilities	
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Mainland China and Hong Kong	**3,002,485**	2,705,352	**1,008,908**	834,726
Taiwan	**58,641**	62,756	**14,491**	13,668
Other overseas countries	**715,106**	494,193	**117,569**	93,917
	3,776,232	3,262,301	**1,140,968**	942,311
Investments in associates	**25,673**	24,607	**-**	-
Unallocated assets	**557,059**	856,842	**-**	-
Unallocated liabilities	**-**	-	**129,624**	127,370
	4,358,964	4,143,750	**1,270,592**	1,069,681

	Other segment information					
	Depreciation and amortization		Other non-cash expenses		Capital expenditure	
	2025	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Mainland China and Hong Kong	**55,983**	54,818	**29,014**	12,063	**63,223**	66,358
Taiwan	**524**	485	**106**	-	**442**	260
Other overseas countries	**2,051**	1,656	**183**	8	**378**	766
	58,558	56,959	**29,303**	12,071	**64,043**	67,384

2. OPERATING SEGMENT INFORMATION *(continued)*

	Non-current assets	
	2025	2024
	HK$'000	*HK$'000*
Mainland China and Hong Kong	**1,041,094**	1,069,984
Taiwan	**15,724**	16,922
Other overseas countries	**1,835**	433
	1,058,653	1,087,339

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets and financial instruments.

Information about major customers

For the years ended 31 March 2025 and 2024, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

3. REVENUE

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.

	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers	**2,594,735**	2,009,545

Disaggregated revenue information

	2025	2024
	HK$'000	*HK$'000*
Revenue from contracts with customers		
- sale of plastic injection moulding machines and related products		
Geographical markets		
Mainland China and Hong Kong	**1,840,082**	1,449,902
Taiwan	**38,616**	37,815
Other overseas countries	**716,037**	521,828
Total revenue from contracts with customers	**2,594,735**	2,009,545

3. REVENUE *(continued)*

The following table shows the amounts of revenue recognized in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025	2024
	HK$'000	*HK$'000*
Revenue recognized that was included in contract liabilities at the beginning of the reporting period:		
Sale of plastic injection moulding machines and related products	**60,300**	65,620

Performance obligations

Information about the Group's performance obligations is summarized below:

Sale of plastic injection moulding machines and related products

The performance obligation is satisfied upon delivery of the goods and payment is generally due between 30 days and 180 days from delivery.

4. PROFIT BEFORE TAX

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

	2025	2024
	HK$'000	*HK$'000*
Cost of inventories sold	**1,984,983**	1,532,561
Depreciation of property, plant and equipment	**52,606**	51,176
Depreciation of right-of-use assets	**5,152**	4,971
Amortization of intangible assets	**800**	812
Gain on disposal of items of property, plant and equipment and right-of-use asset, net	**(2,157)**	(1,245)
Gain on disposal of subsidiaries, net	**(17,886)**	-
Write-off of items of property, plant and equipment	**6,359**	1,511
Impairment/(write-back of impairment) of trade receivables, net	**10,755**	(2,956)
Provision/(write-back of provision) for inventories, net	**9,814**	(1,045)
Foreign exchange differences, net	**4,762**	(201)
Fair value losses on investment properties	**22,944**	10,569
Interest income	**(28,672)**	(23,603)
Finance lease interest income	**(54)**	(225)

5. 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 year (2024: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2025	2024
	HK$'000	*HK$'000*
Current:		
Charge for the year		
Hong Kong	**-**	-
Elsewhere	**33,997**	26,293
Underprovision/(overprovision) in prior years	**117**	(2,621)
Deferred	**1,506**	2,611
Tax charge for the year	**35,620**	26,283

6. DIVIDENDS

	2025	2024
	HK$'000	*HK$'000*
Dividends paid during the year:		
Final in respect of the financial year ended 31 March 2024 - HK$0.050 (year ended 31 March 2023: HK$0.073) per ordinary share	**31,527**	46,029
Interim - HK$0.038 (2024: HK$0.030) per ordinary share	**23,960**	18,916
	55,487	64,945
Proposed final dividend:		
Final - HK$0.080 (2024: HK$0.050) per ordinary share	**50,443**	31,527

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

The calculation of the basic earnings per share is based on the Group's profit attributable to equity holders of the Company for the year of HK$154,386,000 (2024: HK$100,853,000) and on the weighted average number of ordinary shares of 630,531,600 (2024: 630,531,600) in issue during the year.

No adjustment has been made to the basic earnings per share amount presented for the years ended 31 March 2025 and 2024 in respect of a dilution as the exercise price of the share options of the Company outstanding during the years is higher than the average market price of the Company's ordinary shares and, accordingly, such share options held have no dilutive effect on the basic earnings per share amounts presented.

8. TRADE AND BILLS RECEIVABLES

		2025	2024
	Notes	***HK$'000***	*HK$'000*
Trade receivables		**1,222,387**	1,098,568
Impairment		**(91,633)**	(86,938)
Trade receivables, net	*(a)*	**1,130,754**	1,011,630
Bills receivable	*(b)*	**443,044**	306,674
Total trade and bills receivables		**1,573,798**	1,318,304
Portion classified as non-current portion		**(109,824)**	(86,214)
Current portion		**1,463,974**	1,232,090

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$60,681,000 (2024: HK$93,126,000) which are interest-bearing at an average interest rate of 6.3% (2024: 6.2%) per annum and with credit periods of 18 months to 36 months (2024: 18 months to 36 months) in general, the remaining trade and bills receivables are non-interest-bearing.

As at 31 March 2025, the Group has pledged bills receivable of HK$149,475,000 (2024: HK$73,307,000) to secure the issuance of bank acceptance notes, included in the trade and bills payables, to suppliers.

8. **TRADE AND BILLS RECEIVABLES** *(continued)*

(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:

	2025	2024
	HK$'000	*HK$'000*
Within 90 days	**651,126**	471,634
91 to 180 days	**173,251**	151,274
181 to 365 days	**160,584**	176,240
Over 1 year	**145,793**	212,482
	1,130,754	1,011,630

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

	2025	2024
	HK$'000	*HK$'000*
Within 90 days	**176,684**	139,352
91 to 180 days	**246,442**	129,552
181 to 365 days	**18,296**	18,226
Over 1 year	**1,622**	19,544
	443,044	306,674

9. FINANCE LEASE RECEIVABLES

The Group leases certain of its injection moulding machines to its customers. These leases are classified as finance leases and have no remaining lease terms as at 31 March 2025 (2024: 1 month to 10 months). The customers shall purchase the leased injection moulding machines at the end of the lease terms of the finance leases.

	2025	2024
	HK$'000	*HK$'000*
Finance lease receivables	**4,258**	5,944
Impairment	**(4,258)**	(4,334)
Finance lease receivables, net	**-**	1,610

The total future minimum lease receivables under finance leases and their present values as at the end of the reporting period are analyzed as follows:

	Minimum lease receivables		**Present value of minimum lease receivables**	
	2025	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Amounts receivable:				
Within one year	**-**	1,665	**-**	1,610
Total minimum finance lease receivables	**-**	1,665	**-**	1,610
Unearned finance income	**-**	(55)		
Total net finance lease receivables	**-**	1,610		

No contingent income was recognized during the year ended 31 March 2025 (2024: Nil).

10. 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:

	2025	2024
	HK$'000	*HK$'000*
Within 90 days	**410,742**	408,225
91 to 180 days	**214,285**	128,443
181 to 365 days	**160,306**	73,350
Over 1 year	**31,014**	13,092
	816,347	623,110

The trade and bills payables are non-interest-bearing and are normally settled on terms of 3 months to 6 months.

FINAL DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK8.0 cents (2024: HK5.0 cents) per ordinary share for the year ended 31 March 2025, subject to shareholders' approval at the forthcoming annual general meeting of the Company (the "AGM") to be held on Thursday, 28 August 2025. Together with the interim dividend of HK3.8 cents (2024: HK3.0 cents) per ordinary share, the total dividend for the year ended 31 March 2025 will be HK11.8 cents (2024: HK8.0 cents) per ordinary share.

The final dividend will be paid on or about Monday, 22 September 2025 to shareholders whose names appear on the Register of Members of the Company at the close of business on Monday, 8 September 2025.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on Thursday, 28 August 2025, the Register of Members of the Company will be closed from Monday, 25 August 2025 to Thursday, 28 August 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM to be held on Thursday, 28 August 2025, 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 Friday, 22 August 2025.

The proposed final dividend is subject to the passing of an ordinary resolution by the shareholders of the Company at the AGM to be held on Thursday, 28 August 2025. The record date for entitlement to the proposed final dividend is Monday, 8 September 2025. For determining the entitlement to the proposed final dividend, the Register of Members of the Company will be closed from Thursday, 4 September 2025 to Monday, 8 September 2025, 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 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 Wednesday, 3 September 2025.

MANAGEMENT'S DISCUSSION & ANALYSIS

Business Performance

For the financial year ended 31 March 2025, the Group's total turnover increased by 29% to HK$2,595 million (2024: HK$2,010 million). Profit attributable to equity holders increased by 53% to HK$154 million (2024: HK$101 million) while basic earnings per share amounted to HK24.5 cents (2024: HK16.0 cents). The Board recommended the payment of a final dividend of HK8.0 cents (2024: HK5.0 cents) per share for this financial year.

During the course of this financial year, amidst general overall growth, the global economy was fraught with hidden surprises and unexpected speed-bumps. Geopolitical tensions escalated, with protectionism and "decoupling" becoming mainstream values, and led to increasing uncertainties and volatility in international trade. The latest USA administration, after taking office during the last quarter of this fiscal year, promptly implemented a range of pre-announced protectionism policies, initiating a global trade war of which the scale had been unprecedented in modern history.

Worldwide economic sentiments started positive in 2024 with inflation moderating in most countries after a long period of high interest rates, prompting central banks to start easing monetary policies. When the Federal Reserve finally initiated its interest rate-cut cycle in September with a larger-than-anticipated cut, it was almost as if the worst were behind us after years of active financial interventions. The COVID-19 pandemic from 2020 to 2024 remained the slowest period of global economic growth since the end of the Cold War, and subsequent recoveries across countries and regions varied greatly. For instance, amongst the developed economies, only the USA exhibited robust growth throughout while the Eurozone and Japan remained lacklustre while the position of the developing countries was even worse. In fact, Europe's recent poor economic indicators at the beginning of this financial year had raised serious market concerns, leading to deeper and stronger easing policies which to an extent stimulated consumer spending across Europe, a trend that the Group benefited from.

During the first half of this fiscal year, global economies continued to recover with increasing trade activities, which in turn intensified supply chain conflicts. While total global trade volume registered an increase and market demand remained robust, but simultaneously faced with the challenges of unbalanced development and considerable risks and uncertainties. The final outcome was a new USA administration taking office in the second half of the financial year, adopting broad anti-globalisation policies hostile to the multilateral trade practices that the world had for decades become accustomed to. Since then, the world economy has been clouded with significant uncertainty.

As the world factory, China played a central role in ever-changing international trade relations. Not only did China help sustain global economic activity with domestic demand, its stranglehold on global supply chains became tighter than ever, raising serious concerns in Western developed countries. Previous Sino-USA trade disputes soon escalated into a full trade war under the new President of the USA, eventually evolving into a global trade war.

Trade wars shake market confidence, which is critical in any well-functioning business environment. During the second half of this financial year, worldwide markets were plagued with uncertainties. Although market demand appeared to continue growing as compared with the first half, the Group's view is that it was primarily due to frantic stockpiling before the new round of tariffs in the USA took effect. Such market strength is unlikely to last, and the world will soon be forced to accept an evolving new reality in global trade.

Recent economic environment has always been characterised by “opportunities within crisis”. This financial year also confirmed the applicability of the opposite: "crisis within opportunities". When multilateral relationships could drift from close allies to being far apart merely at the whims of the President of the USA alone, global supply chains are facing some strong headwinds, with rising protectionism, intensifying geopolitical conflicts and anti-globalisation under the forces of localisation, nationalism and multipolarism. The Group will continue to adopt a pragmatic, cautious but proactive approach towards managing the financial and market risks that may arise as a result.

Market Analysis

Breakdown of turnover, based on the location of customers, for the year ended 31 March 2025 is as follows:

Customer Location	**2025 *(HK$ million)***	2024 *(HK$ million)*	Change
Mainland China and Hong Kong	**1,840**	1,450	+27%
Taiwan	**39**	38	+3%
Other overseas countries	**716**	522	+37%
	2,595	2,010	+29%

During this financial year, the Mainland China economy faced complex conditions, including pressure from outside and growing domestic difficulties from within amid a generally smooth-running economy with GDP growing an expectations-meeting 5% to surpass RMB 130 trillion for the first time in history. Faced with the complex and severe external environment, the structure of the China economy was notably evolving towards the high-end, with high-tech industries faring significantly better than traditional and remarkable growth in new sectors such as IT services, EV, IC and advanced robotics. The group continued to provide its strategic EV partner BYD with large numbers of high-end injection moulding machines, including large-tonnage two-platens and high-precision all-electrics, assisting BYD in their rapid EV capacity expansion while also contributing to the rapid growth of China’s EV sector in general.

“Crisis within opportunities” fully held for Mainland China due to intensified Sino-USA trade conflicts. Presidential election in the USA during the second half of this financial year already foretold the resurgence of localism and protectionism. Many international buyers started to hoard inventory ahead of the oncoming troubles, pushing Mainland China's export trade volume to record height, with trade volume in December 2024 alone growing 6.8% to exceed RMB 4 trillion. Similarly, market demand for injection moulding machines was also red-hot. Market sentiments further ignited as the new USA administration was sworn in during the last quarter of this financial year. The threat of high tariffs caused frantic stockpiling in a race against time. The Group successfully leveraged this opportunity and its capacity advantages to capture market share with new product lines, leading to strong Mainland China turnover growth to HK$1.84 billion (2024: HK$1.45 billion), an increase of 27%.

Taiwanese customers traditionally rely on exports to the USA and Europe and registered good growth during the first half of this financial year. However, as the Eurozone economies stagnated, many customers started adopting a “wait-and-see” approach, delaying the purchases of capital equipment, which resulted in a sharp deterioration of business sentiment during the second half. Overall, the Group’s Taiwan turnover remained essentially flat with previous year at HK$39 million (2024: HK$38 million).

Internationally, the global employment rates remained resilient with the International Labour Organisation forecasting global unemployment dropping to only 4.9% in 2024. Nevertheless, the data hid substantial polarisation among countries, as labour markets in developed countries stayed robust but developing countries continued to be plagued with high unemployment. The same polarisation was also observed in inflation.

A direct consequence was the developed countries as a whole, mainly North America, driving global consumption demand in the first half. As political landscape in the USA evolved in the second half, and with the new administration clearly hostile towards Sino-USA trade relations, in order to diversify the risk of having most eggs in a single basket, many multinational brands began adopting “China + 1” and actively pursued new supply sources from other countries. Southeast Asia, along with developing countries like Brazil and Turkey, benefited greatly from such strategic risk-diversifying initiatives during the second half of this financial year, leading to increased demand for injection moulding machines.

Due to the Group’s foresight of making long-term strategic investments into key developing markets, e.g. expanding subsidiaries in Europe, Brazil and India, as well as new subsidiaries in Mexico and Indonesia providing local inventory, the Group was able to capture this wave of transfer demand to register an impressive 37% growth in international market turnover to HK$716 million (2024: HK$522 million).

Development of New Technologies and New Products

During this financial year, the Group launched a number of product line extensions including new models of large-tonnage two-platen machines, all electric machines, hybrid hydraulic-electric machines and multi-material machines. In addition, the Group introduced a new line of vertical injection moulding machines to augment its existing product portfolio, which helped serve high-end segments such as EV, 3C, electronics and medical more professionally. At the same time, the Group also added specialised offerings into its linage, including multi-material with micro-foaming, switchable injection units for optical applications in EV, a new series for producing pales, the next generation SUPER-PACK series for thin-walled packaging, and a new series for PET preforms. Most notably, a 4,500-ton two-platen machine with an industry-leading 280kg shot-pot-type injection unit was successfully delivered to overseas customer during this financial year. Another 3,600-ton two-platen machine, which also achieved the industry-leading ultra-large shot-weight of 200kg, was awarded the prestigious “New Technology and New Product” Certificate by the Plastics Machinery Industry Association of China.

The Group’s investments and efforts into advanced research and development earned it accreditation by the Department of Science and Technology, Guangdong Province, in 2023 as the “Chen Hsong Technology Centre for Precision Injection Moulding in Guangdong”. To accelerate transformation into digital-enabled manufacturing, the Group made the first major step in establishing the Digital Technology Department focusing on building state-of-the-art unified data platforms and process control technology. By streamlining and optimising core business processes together with unified data analytics, the Group was able to support quick and intelligent decision-making through accurate and timely information, greatly enhancing production efficiency and visual management.

The Group also officially launched its ambitious program for “Industrial Empowerment” by providing end-to-end comprehensive solutions to clients in various sectors such as automotive, consumer electronics and food packaging. This program provides consultation to clients in target industries, starting from status snapshot, solution proposal, system integration to subsequent fine-tuning and optimisation. It enables clients to markedly improve their manufacturing flexibility and control, as well as make better-informed decisions, through real-time management of production equipment and advanced features, such as smart scheduling. With customised dashboards providing clear visualisation of key process statuses, the Group’s clients and partners are more able to surge ahead of competition in the new race for digital supremacy.

Last but not least, the Group established a new business unit for “Smart Manufacturing Services” to further accelerate upgrade of the industry into the digital age. Through the “iChen Smart Family” platform which includes the “iChen Cloud”, “iChen Smart Factory” and “iChen AI Molder”, the Group successfully provided clients with a full range of services from one-top turn-key factory projects to cloud-based big-data systems to advanced mold setting services utilising advanced deep-AI models. Among these, the “iChen AI Molder” service, which employs advanced AI models to tackle the difficult but critical task of mold setting, stands to revolutionise the industry by digitalising decades of manual-tuning expertise, alleviating the pain of hiring experienced technicians for many clients.

Production Capacity and Cost Control

During this financial year, under the auspice of lean manufacturing, the Group continued to pursue its three-level planning system that aims to provide precise, timely and accurate instructions to every worker and every machine. In addition, the Group implemented an advanced MES system in its production facility, part of a larger initiative to digital-enable its production processes. The Group also continued to actively control costs through optimising steps in manufacturing, employing more efficient tools and riggings and automating machining equipment as a networked managed whole, which led to material improvements in production efficiency and cost effectiveness.

The Group sought to integrate its supply chain resources, pursuing cooperation with strategic suppliers to build nearby facilities, in order to reduce overall delivery lead time and procurement costs. In addition, design standardisation would also help shorten lead time and improve supply chain resilience.

Finally, the Group established its "Smart Manufacturing" division which included internal research and development efforts and collaboration with external parties to develop the industry-leading "iChen Cloud", MES and QMS systems, leveraging deep AI for its core innovative features. These systems would help the Group increase equipment utilization and shorten production cycle time.

Financial Review

Liquidity and Financial Conditions

As at 31 March 2025, the Group had net current assets of HK$1,998 million (2024: HK$1,985 million). Cash and bank balances (including pledged deposits) amounted to HK$667 million (2024: HK$874 million), representing a decrease of HK$207 million as compared to last year. As at 31 March 2025, the Group had no bank borrowings (2024: Nil). The Group recorded a net cash position of HK$667 million (2024: HK$874 million), representing a decrease of HK$207 million as compared to last year.

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 31 March 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 31 March 2025, bank deposits of certain subsidiaries of the Group in the amount of HK$139 million (2024: HK$45 million) were pledged for securing the issuance of bank acceptance notes, recorded in the trade and bills payables, to suppliers. As at 31 March 2024, a bank deposit of a subsidiary of the Group in the amount of HK$3 million was pledged for securing a bank loan granted by a bank in Mainland China to a customer to purchase the

Group's products. In addition, as at 31 March 2025, bills receivable of a subsidiary of the Group in the amount of HK$149 million (2024: HK$73 million) was pledged for securing the issuance of bank acceptance notes, included in the trade and bills payables, to suppliers.

Capital Commitments

As at 31 March 2025, the Group had capital commitments of HK$22 million (2024: HK$6 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 year ended 31 March 2025.

Future plans for material investments or capital assets

As at 31 March 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 31 March 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 Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Advance to an entity provided by the Company

As at 31 March 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, primarily denominated in the Hong Kong Dollar, the Renminbi, the New Taiwanese Dollar, the United States Dollar and the Euro, are generally placed with banks as 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 31 March 2025, the Group did not have any significant contingent liabilities. As at 31 March 2024, the Group provided guarantee to a bank amounted to HK$1 million for a bank loan granted to a customer to purchase the Group's products.

Human Resources

As at 31 March 2025, the Group had approximately 2,700 (2024: 2,400) 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 as well as the financial 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.

Prospects for the Coming Year

Looking ahead, the new USA administration officially took office in January 2025 and, almost immediately, started implementing a series of earth-shattering policies that brought great uncertainties to world markets, global business sentiment and Sino-USA trade relations.

To begin with, extreme localism recently from the USA will inevitably force many countries to increase defence budgets while border conflicts and immigration issues will also become commonplace. The rise of protectionism and uncertainties brought about by high tariffs is already severely impacting international market sentiments. The IMF substantially revised down its growth forecast for the USA for the coming year, the largest such adjustment among all developed economies, with a warning that sharp tariff increases may lead to a significant global slowdown. Concerns over inflationary effects of the new tariffs also forced the Federal Reserve to pause its rate-cutting cycle, after a sizable drop in September, to adopt a more cautious position, thereby abruptly ending the market's anticipation for further rate reductions in the near term.

The Group believes multilateral tension to intensify, geopolitical situation to become more complex and global supply chain restructuring to accelerate. As developed countries increasingly seek to bring back manufacturing, the USA, driven by rising protectionism, together with other European countries, will likely increase government intervention upon key industrial sectors and start introducing more measures and policies to this effect.

Under such volatile economic, market and political conditions, the Group will continue to be prudent and adopt strict and proactive measures towards managing risks while continue to invest into advanced research and development, international market expansions and brand awareness enhancement. The Group believes that it is well positioned to face any on-coming challenges while maintaining an acceptable risk profile, regardless of what the future may hold in terms of uncertain business environment, unpredictable interest rates and uncertain tariffs.

PROPOSED ADOPTION OF THE 2025 SHARE SCHEMES

The share option scheme (the "Share Option Scheme") approved and adopted by the shareholders at the annual general meeting of the Company held on 24 September 2014 was expired on 23 September 2024, under which no further grant of share options shall be offered. The outstanding share options granted under the Share Option Scheme continue to be valid and exercisable in accordance with the rules of the Share Option Scheme.

The Company is contemplating to adopt a 2025 share option scheme and 2025 share award scheme (the "2025 Share Schemes") in order to grant options and/or awards to selected eligible participants as retention incentives or rewards for their contributions to the Group, to attract suitable personnel to enhance the development of the Group and to align the interests of the grantees generally with those of the shareholders of the Company for the benefit of the medium to long term development of the Group. The 2025 Share Schemes are subject to the approval by the shareholders at a special general meeting of the Company to be held on Thursday, 28 August 2025 (immediately after the conclusion or adjournment of the forthcoming AGM). A circular containing, among other things, details of the 2025 Share Schemes, together with a notice convening the special general meeting, will be despatched to the shareholders of the Company and published on the Company's website at www.chenhsong.com and the website of the Stock Exchange at www.hkexnews.hk.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the year ended 31 March 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 as the Chen Hsong Holdings Limited Company Act, 1991 of Bermuda provides that the chairman and the managing director of the Company are not required to retire by rotation.

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 year ended 31 March 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 year ended 31 March 2025.

SCOPE OF WORK OF INDEPENDENT AUDITOR ON THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2025 have been agreed by the Company's auditor to the figures set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditor on the preliminary announcement.

AUDIT COMMITTEE REVIEW

The Audit Committee of the Company has reviewed with the Management the consolidated financial statements for the year ended 31 March 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, 20 June 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, Mr. Michael Tze Hau LEE and Mr. Johnson Chin Kwang TAN.