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CHEN HSONG HOLDINGS LIMITED
震雄集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 00057)

ANNUAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

FINANCIAL HIGHLIGHTS			
	2026	2025	Change
RESULTS HIGHLIGHTS *(HK$'000)*			
Revenue	**2,465,000**	2,594,735	-5%
Profit before tax	**138,574**	189,625	-27%
Profit attributable to equity holders of the Company	**116,949**	154,386	-24%
FINANCIAL POSITION ITEMS *(HK$'000)*			
Total assets	**4,649,748**	4,358,964	7%
Shareholders' funds	**3,241,045**	3,081,570	5%
Issued share capital	**63,053**	63,053	0%
Net current assets	**2,052,160**	1,997,648	3%
PER SHARE DATA			
Basic earnings per share *(HK cents)*	**18.5**	24.5	-24%
Cash dividends per share *(HK cents)*	**8.9**	11.8	-25%
Net assets per share *(HK$)*	**5.1**	4.9	4%
KEY FINANCIAL RATIOS			
Return on average shareholders' funds	**3.7%**	5.0%	-1.3%
Return on average total assets	**2.6%**	3.6%	-1.0%

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 2026, together with comparative figures for the previous year, are as follows:

CONSOLIDATED INCOME STATEMENT
Year ended 31 March 2026

	Notes	**2026**	2025
		HK$'000	*HK$'000*
REVENUE	*3*	**2,465,000**	2,594,735
Cost of sales		**(1,875,890)**	(1,984,983)
Gross profit		**589,110**	609,752
Other income and gains, net		**92,943**	106,880
Selling and distribution expenses		**(273,309)**	(279,851)
Administrative expenses		**(149,060)**	(145,401)
Other operating expenses, net		**(118,271)**	(101,605)
Finance costs		**(3,529)**	(1,561)
Share of profits less losses of associates		**690**	1,411
PROFIT BEFORE TAX	*4*	**138,574**	189,625
Income tax expense	*5*	**(25,239)**	(35,620)
PROFIT FOR THE YEAR		**113,335**	154,005
ATTRIBUTABLE TO:			
Equity holders of the Company		**116,949**	154,386
Non-controlling interests		**(3,614)**	(381)
		113,335	154,005
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	*7*		
Basic *(HK cents)*		**18.5**	24.5
Diluted *(HK cents)*		**18.5**	24.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2026

	2026	2025
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**113,335**	154,005
OTHER COMPREHENSIVE INCOME/(EXPENSES)		
Other comprehensive income/(expenses) that may be reclassified to the income statement in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**112,708**	(74,574)
Share of other comprehensive income/(expenses) of associates	**1,286**	(345)
Release of exchange fluctuation reserve upon disposal of subsidiaries	**-**	(2,062)
Net other comprehensive income/(expenses) that may be reclassified to the income statement in subsequent periods	**113,994**	(76,981)
Other comprehensive income that will not be reclassified to the income statement in subsequent periods:		
Actuarial gains on defined benefit plan	**531**	462
Net other comprehensive income that will not be reclassified to the income statement in subsequent periods	**531**	462
OTHER COMPREHENSIVE INCOME/ (EXPENSES) FOR THE YEAR	**114,525**	(76,519)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**227,860**	77,486
ATTRIBUTABLE TO:		
Equity holders of the Company	**231,538**	78,127
Non-controlling interests	**(3,678)**	(641)
	227,860	77,486

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	**2026**	2025
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**598,683**	546,815
Investment properties		**361,526**	358,347
Right-of-use assets		**53,637**	56,111
Goodwill		**51,905**	51,905
Intangible assets		**1,060**	1,808
Investments in associates		**27,649**	25,673
Deferred tax assets		**27,424**	28,880
Deposits for purchases of items of property, plant and equipment		**4,942**	12,953
Trade and bills receivables	*8*	**165,362**	109,824
Defined benefit assets		**6,176**	5,041
Total non-current assets		**1,298,364**	1,197,357
CURRENT ASSETS			
Inventories		**786,951**	788,554
Trade and bills receivables	*8*	**1,258,834**	1,463,974
Deposits, prepayments and other receivables		**249,762**	242,116
Pledged bank deposits		**242,932**	138,784
Cash and bank balances		**812,905**	528,179
Total current assets		**3,351,384**	3,161,607
CURRENT LIABILITIES			
Trade and bills payables	*9*	**878,699**	816,347
Other payables, accruals and contract liabilities		**374,205**	302,654
Lease liabilities		**4,222**	4,274
Tax payable		**42,098**	40,684
Total current liabilities		**1,299,224**	1,163,959
NET CURRENT ASSETS		**2,052,160**	1,997,648
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,350,524**	3,195,005

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
As at 31 March 2026

	2026	2025
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Other payables and accruals	**10,667**	4,431
Lease liabilities	**10,345**	13,262
Deferred tax liabilities	**85,343**	88,940
Total non-current liabilities	**106,355**	106,633
NET ASSETS	**3,244,169**	3,088,372
EQUITY		
Equity attributable to equity holders of the Company		
Issued share capital	**63,053**	63,053
Reserves	**3,177,992**	3,018,517
	3,241,045	3,081,570
Non-controlling interests	**3,124**	6,802
TOTAL EQUITY	**3,244,169**	3,088,372

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 amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the HKICPA has issued amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding HKFRS Accounting Standards. These examples reflect existing requirements in the corresponding HKFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. 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 2026 and 2025.

	Segment revenue from external customers		Segment results	
	2026	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Mainland China and Hong Kong	**1,643,155**	1,840,082	**110,480**	183,370
Taiwan	**36,763**	38,616	**(2,534)**	(1,610)
Other overseas countries	**785,082**	716,037	**49,516**	26,825
	2,465,000	2,594,735	**157,462**	208,585

Reconciliation of results of operating segments to profit before tax is as follows:		
Operating segment results	**157,462**	208,585
Unallocated income and gains	**23,689**	28,726
Corporate and unallocated expenses	**(40,671)**	(48,500)
Finance costs (other than interest on lease liabilities)	**(2,596)**	(597)
Share of profits less losses of associates	**690**	1,411
Profit before tax	**138,574**	189,625

2. OPERATING SEGMENT INFORMATION *(continued)*

	Segment assets		Segment liabilities	
	2026	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Mainland China and Hong Kong	**2,834,520**	3,002,485	**1,086,672**	1,008,908
Taiwan	**43,327**	58,641	**10,032**	14,491
Other overseas countries	**903,923**	715,106	**181,434**	117,569
	3,781,770	3,776,232	**1,278,138**	1,140,968
Investments in associates	**27,649**	25,673	**-**	-
Unallocated assets	**840,329**	557,059	**-**	-
Unallocated liabilities	**-**	-	**127,441**	129,624
	4,649,748	4,358,964	**1,405,579**	1,270,592

	Other segment information					
	Depreciation and amortization		Other non-cash expenses		Capital expenditure	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Mainland China and Hong Kong	**57,615**	55,983	**13,393**	29,014	**55,290**	63,223
Taiwan	**372**	524	-	106	**1**	442
Other overseas countries	**3,960**	2,051	**183**	183	**29,098**	378
	61,947	58,558	**13,576**	29,303	**84,389**	64,043

2. OPERATING SEGMENT INFORMATION *(continued)*

	Non-current assets	
	2026	2025
	HK$'000	*HK$'000*
Mainland China and Hong Kong	**1,061,160**	1,041,094
Taiwan	**16,426**	15,724
Other overseas countries	**27,992**	1,835
	1,105,578	1,058,653

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 2026 and 2025, 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.

	2026	2025
	HK$'000	*HK$'000*
Revenue from contracts with customers	**2,465,000**	2,594,735

Disaggregated revenue information

	2026	2025
	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	**1,643,155**	1,840,082
Taiwan	**36,763**	38,616
Other overseas countries	**785,082**	716,037
Total revenue from contracts with customers	**2,465,000**	2,594,735

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:

	2026	2025
	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	**54,426**	60,300

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):

	2026	2025
	HK$'000	*HK$'000*
Cost of inventories sold	**1,875,890**	1,984,983
Depreciation of property, plant and equipment	**55,256**	52,606
Depreciation of right-of-use assets	**5,887**	5,152
Amortization of intangible assets	**804**	800
Gain on disposal of items of property, plant and equipment, net	**(381)**	(2,157)
Gain on disposal of subsidiaries, net	**-**	(17,886)
Write-off of items of property, plant and equipment	**636**	6,359
Impairment of trade receivables, net	**10,934**	10,755
Provision for inventories, net	**458**	9,814
Foreign exchange differences, net	**1,935**	4,762
Fair value losses on investment properties	**12,940**	22,944
Interest income	**(23,689)**	(28,672)
Finance lease interest income	**-**	(54)

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 (2025: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2026	2025
	HK$'000	*HK$'000*
Current:		
Charge for the year		
Hong Kong	**-**	-
Elsewhere	**25,651**	33,997
Underprovision in prior years	**4,527**	117
Deferred	**(4,939)**	1,506
Tax charge for the year	**25,239**	35,620

6. DIVIDENDS

	2026	2025
	HK$'000	*HK$'000*
Dividends paid during the year:		
Final in respect of the financial year ended 31 March 2025 - HK$0.080 (year ended 31 March 2024: HK$0.050) per ordinary share	**50,443**	31,527
Interim - HK$0.036 (2025: HK$0.038) per ordinary share	**22,699**	23,960
	73,142	55,487
Proposed final dividend:		
Final - HK$0.053 (2025: HK$0.080) per ordinary share	**33,418**	50,443

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

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

	2026	2025
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to equity holders of the Company for the purpose of basic and diluted earnings per share	**116,949**	154,386

	2026	2025
	thousand shares	*thousand shares*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**630,532**	630,532
Effect of dilutive potential ordinary shares: share options	**473**	-
Effect of dilutive potential ordinary shares: share awards	**313**	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**631,318**	630,532

8. TRADE AND BILLS RECEIVABLES

	Notes	2026 HK$'000	2025 HK$'000
Trade receivables		**1,385,545**	1,222,387
Impairment		**(77,459)**	(91,633)
Trade receivables, net	*(a)*	**1,308,086**	1,130,754
Bills receivable	*(b)*	**116,110**	443,044
Total trade and bills receivables		**1,424,196**	1,573,798
Portion classified as non-current portion		**(165,362)**	(109,824)
Current portion		**1,258,834**	1,463,974

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

In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances. Except for the trade receivables of HK$34,817,000 (2025: HK$60,681,000) which are interest-bearing at an average interest rate of 6.4% (2025: 6.3%) per annum and with credit periods of 18 months to 36 months (2025: 18 months to 36 months) in general, the remaining trade and bills receivables are non-interest-bearing.

As at 31 March 2026, the Group has pledged bills receivable of HK$12,075,000 (2025: HK$149,475,000) 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:

	2026	2025
	HK$'000	*HK$'000*
Within 90 days	**544,937**	651,126
91 to 180 days	**188,851**	173,251
181 to 365 days	**305,700**	160,584
Over 1 year	**268,598**	145,793
	1,308,086	1,130,754

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

	2026	2025
	HK$'000	*HK$'000*
Within 90 days	**62,777**	176,684
91 to 180 days	**45,410**	246,442
181 to 365 days	**6,795**	18,296
Over 1 year	**1,128**	1,622
	116,110	443,044

9. **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:

	2026	2025
	HK$'000	*HK$'000*
Within 90 days	**450,593**	410,742
91 to 180 days	**212,271**	214,285
181 to 365 days	**182,356**	160,306
Over 1 year	**33,479**	31,014
	878,699	816,347

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 HK5.3 cents (2025: HK8.0 cents) per ordinary share for the year ended 31 March 2026, subject to shareholders' approval at the forthcoming annual general meeting of the Company (the "AGM") to be held on Friday, 21 August 2026. Together with the interim dividend of HK3.6 cents (2025: HK3.8 cents) per ordinary share, the total dividend for the year ended 31 March 2026 will be HK8.9 cents (2025: HK11.8 cents) per ordinary share.

The final dividend will be paid on or about Tuesday, 22 September 2026 to shareholders whose names appear on the Register of Members of the Company at the close of business on Tuesday, 8 September 2026.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on Friday, 21 August 2026, the Register of Members of the Company will be closed from Tuesday, 18 August 2026 to Friday, 21 August 2026, 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 Friday, 21 August 2026, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 17 August 2026. The record date for the purpose of determining the eligibility of the Shareholders to attend and vote at the AGM is Friday, 21 August 2026.

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 Friday, 21 August 2026. For determining the entitlement to the proposed final dividend, the Register of Members of the Company will be closed from Friday, 4 September 2026 to Tuesday, 8 September 2026, 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 Thursday, 3 September 2026. The record date for entitlement to the proposed final dividend is Tuesday, 8 September 2026.

MANAGEMENT'S DISCUSSION & ANALYSIS

Business Performance

For the financial year ended 31 March 2026, the Group's total turnover declined by 5% to HK$2,465 million (2025: HK$2,595 million) as compared with previous year. Profit attributable to equity holders dropped by 24% to HK$117 million (2025: HK$154 million) while basic earnings per share declined to HK18.5 cents (2025: HK24.5 cents). The Board recommended the payment of a final dividend of HK5.3 cents (2025: HK8.0 cents) per share for this financial year.

The global economy underwent a significant structural change during the course of this financial year, with protectionism rapidly gaining ground from decades of free trade and globalisation. In April 2025, the USA government unilaterally imposed import tariffs on the vast majority of countries worldwide, as well as escalated a trade war with China. Constant trade tensions, persistent instability and rampant uncertainty severely hampered market confidence, a dark cloud looming over global economic growth.

Nevertheless, many USA customers went on a frantic buying spree, racing to stockpile all sorts of inventory before the import tariffs officially took effect, which led to a brief but remarkable export surge in many countries and a temporary production upswing. China, in particular, benefited greatly from this wave. However, as countries around the world started reaching tariff agreements with the USA, the surge of exports gradually cooled. The Group found its customers beginning to postpone purchasing new equipment, and as market demand weakened, price competition rapidly intensified, putting pressure on margins.

The USA import tariffs took an unexpected and abrupt turn during the second half of this fiscal year – in early 2026, the Supreme Court of USA ruled such tariffs illegal. But before global trade partners could breathe a sigh of relief, new bombshells followed (literally): the USA and Israel started the war in the Persian Gulf, plunging major oil-producing regions within range of tense military conflict and causing international crude oil prices to soar. This in turn led to a rapid spike in the price of plastic resin, with severe impacts upon the plastics processing industry.

But even more serious was the Strait of Hormuz closure in early March 2026, last month of the Group’s financial year and traditional peak season, resulting in fuel shortages in many countries, especially Southeast Asia. Many factories in developing countries were forced to reduce production due to blackouts while global shipping costs soared, disrupting global trade and supply chain.

Overall, the Group managed to maintain flat turnover year-on-year during the first half. On a calendar year basis (i.e. January to December), the Group's revenue in 2025 actually registered nearly 10% growth from 2024, far exceeding industry average amid unfavourable market conditions. Only during the fourth quarter, factors such as sky-rocketing crude oil prices and global fuel shortages contributed to deal a material blow to the Group's normal business activities. Although the Group quickly responded with contingency plans to control raw material and transportation costs, a decline in turnover was still unavoidable under the fiscal year accounting basis.

Market Analysis

Breakdown of turnover, based on the location of customers, for the year ended 31 March 2026 is as follows:

Customer Location	**2026** *(HK$ million)*	2025 *(HK$ million)*	Change
Mainland China and Hong Kong	**1,643**	1,840	-11%
Taiwan	**37**	39	-5%
Other overseas countries	**785**	716	+10%
	2,465	2,595	-5%

Affected by issues such as the bursting of real estate bubble, local government debt burden, weak consumer confidence, and the deflationary pressure, the domestic economy in Mainland China had been hampered over a long while and still lacks growth momentum. Even though China's Gross Domestic Product (GDP) growth still reached a respectable 5%, together with the surge in stockpiling exports at the beginning of this financial year, eventually weak domestic consumption and stiff USA tariffs led to reduced demand, heavily suppressing the manufacturing sector. The Purchasing Managers' Index (PMI) for Manufacturing remained in contraction territory during most of this financial year, and manufacturers proved wary to invest. In fact, gross domestic investments started plummeting sharply since the middle of this financial year, dipping into negative during the second half.

The Persian Gulf conflict occurred at the traditional peak season during the second half of this financial year, causing global fuel shortages and severe disruptions in ocean freight (in particular those bounded for Middle Eastern and African destinations). The Group's turnover in China was hit by a double whammy of weak domestic demand and suppressed exports due to tariffs in the USA, with small-to-medium-sized customers suffering the biggest impact. Market competition became intense, but the Group still successfully penetrated some large enterprises, especially in EV's, with new products, new technologies, and superior service. Nevertheless, the Group's turnover in China still declined by 11% year to HK$1.64 billion (2025: HK$1.84 billion).

Taiwan market performed comparatively more steady even when its major trading partners (Europe and the USA) were all affected by the USA import tariffs. Total turnover only declined by 5% to HK$37 million (2025: HK$39 million).

Internationally, the USA remained the undisputed star with healthy GDP growth but at the cost of many others countries suffering geopolitical conflicts, wars, trade disputes, tariffs, and energy shortages. Almost no country was spared any impact, the economic wellbeing in the USA being a stark contrast to conditions of all other world regions. Affected by shipping disruptions and US tariffs, global trade momentum slowed significantly. Europe, in particular, was hit simultaneously on multiple fronts – wars, tariffs, shipping and energy prices, while Southeast Asian countries primarily faced blackouts due to fuel shortages, severely hampering manufacturing activities.

The Group registered strong growth in international markets during the first half of this financial year, benefiting from years of proactive investments in its global sales network of regional subsidiaries and service centres. However, unfavourable market conditions coupled with rising protectionism and anti-dumping duties in India made the second half much more challenging. In the end, the Group still managed to grow turnover in international markets by 10% to HK$785 million (2025: HK$716 million).

Development of New Technologies and New Products

During the first half of this financial year, the Group launched the industry-breaking "AI Molder" intelligent machine-tuning service – an intelligent AI agent assisting in one of the most difficult aspects of plastics injection moulding, details of which had been described in the 2025/2026 interim report.

In addition, the Group also successfully implemented a complete MES platform at a major Tier-1 auto-parts supplier. The project focused on core operational aspects of the injection moulding workflow, covering key processes such as IoT connectivity for production equipment, production planning and scheduling, quality tracing, material logistics and product warehousing, and achieved full-process digital closed-loop management from work order issuance to finished product warehousing.

Through combining real-time data acquisition, transparent production process control, and lean manufacturing principles, this platform helped the Group's customer significantly improve their control over the production process, optimise equipment utilisation efficiency and quality stability, and improve work-in-progress inventory management and abnormal response efficiency. It added resilience to the customer's delivery capabilities and raised cost competitiveness. The successful completion of this project showcased the Group's strengths in MES, systems integration and project delivery involving complex manufacturing scenarios.

Furthermore, during the second half of this financial year, the Group updated its main product lines, after careful market research, to better meet market and customer needs. They include:

- The new "MK6.6/D" which replaces the original MK6.6/A, B, and C models, combining the advantages of each to help enhance customer productivity, quality, and efficiency;
- The new "G5" – fifth generation – series replaces the original entry-level G series, offering even better value for money;

- The new, next-generation “TP7” series of large-tonnage two-platen machines replaces the original TP series, with enhanced performance and improved stability; and
- The new “MS” series of economical, all-electrics, empowering customers to easily achieve high-quality all-electric productivity.

The Group also plans to upgrade its existing MK6 (sixth generation) product lines to “MK7” (seventh generation) during the coming financial year. In addition to optimise performance, the upgrades will also include enhanced intelligence and connectivity, such as the “AI Molder” smart moulding assistant and "iChen Smart Family" integrated systems, which enable the Group's customers to effortlessly add smart manufacturing to their repertoire.

Production Capacity and Cost Control

Due to uncertainties in domestic and international environments, general sentiments remain weak especially with regard capital investment. The Group thus accelerated adoption of Lean Manufacturing reforms at major manufacturing bases, together with a world-leading consultant, with the goal of actively optimising cost-effectiveness. This included the gradual implementation of piece-rate wages that provided better self-initiation and motivation, with encouraging results. Significant improvements were also seen in all areas, including product quality, production efficiency, and capacity utilisation.

At the same time, in a bid to fulfill the national initiative of “New Quality Productivity,” the Group had transformed its major manufacturing facilities by empowering them through "digital and intelligent transformation," coupled with self-developed AIoT and MES platforms, achieving full equipment connectivity in stages and increasing investment in AI applications (such as AI-automated working hour reporting) to create a closed-loop system for refined OEE and energy consumption management.

In face of fierce price competition, the Group had strengthened its supply chain through a centralised procurement strategy, established medium-to-long-term strategic partnerships for all key components, and expanded extensive sourcing network for mission-critical materials.

Financial Review

Liquidity and Financial Conditions

As at 31 March 2026, the Group had net current assets of HK$2,052 million (2025: HK$1,998 million). Cash and bank balances (including pledged deposits) amounted to HK$1,056 million (2025: HK$667 million), representing an increase of HK$389 million as compared to last year. As at 31 March 2026, the Group had no bank borrowings (2025: Nil). The Group recorded a net cash position of HK$1,056 million (2025: HK$667 million), representing an increase of HK$389 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 2026. 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 2026, bank deposits of certain subsidiaries of the Group in the amount of HK$243 million (2025: HK$139 million) were mainly pledged for securing the issuance of bank acceptance notes, recorded in the trade and bills payables, to suppliers. In addition, as at 31 March 2026, bills receivable of a subsidiary of the Group in the amount of HK$12 million (2025: HK$149 million) was pledged for securing the issuance of bank acceptance notes, included in the trade and bills payables, to suppliers.

Capital Commitments

As at 31 March 2026, the Group had capital commitments of HK$9 million (2025: HK$22 million), mainly in respect of the construction and upgrading of industrial facilities, the purchases of production equipment in Mainland China, as well as the purchase of warehouse in Europe which are to be funded by internal resources of the Group.

Significant investments, acquisitions and disposals

The Group did not make any significant investments, acquisitions or disposals in relation to its subsidiaries and associated companies during the year ended 31 March 2026.

Future plans for material investments or capital assets

As at 31 March 2026, 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 2026, 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 2026, 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 2026, the Group did not have any significant contingent liabilities (2025: Nil).

Human Resources

As at 31 March 2026, the Group had approximately 2,600 (2025: 2,700) full-time employees. The Group offers good remuneration and welfare packages to its employees and maintains market-competitive pay levels. Employees are rewarded based on individual 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 forward, global market conditions will remain highly volatile. The USA government is likely to pile on new policies and trade barriers in an attempt to reassert its global import tariffs strategy. Furthermore, instability in the Persian Gulf will continue to cause big fluctuations in crude oil prices and supply. The Group anticipates high uncertainty at least persisting into the first half of the coming financial year, which will continue to dampen investor and consumer confidence worldwide, and significantly weaken market demand. Price competition is anticipated to be exceptionally fierce given over-supplied and weak market sentiments.

The Group shall actively face these challenges through leveraging new technologies, optimised new product lines as well as improved customer service in order to enhance its market competitiveness and maintain operational efficiency advantages. At the same time, under these circumstances, the Group will remain especially prudent especially with regards to cost control and risk management.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the year ended 31 March 2026, 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 (except the Chairman of the Board) 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 2026.

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 2026.

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 2026 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.

REVIEW OF ACCOUNTS

The Audit Committee of the Company has reviewed with the Management the consolidated financial statements for the year ended 31 March 2026 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, 24 June 2026

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

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