

PRESS RELEASE

2 June 2010

**CHEVALIER PACIFIC HOLDINGS LIMITED
ANNOUNCE 2009/10 ANNUAL RESULTS**

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For the year ended 31 March	2009/10	2008/09
Revenue	HK\$538 million	HK\$318 million
Loss Attributable to Equity Holders	HK\$(22.1) million	HK\$(159) million
Loss per Share	HK(1.02) cents	HK(7.37) cents
Total Dividends per Share	HK0.6 cent	HK0.2 cent

Note: Per Share figures have taken into account of the share subdivision on 30 March 2010

Chevalier Pacific Holdings Limited (“CPHL”; stock code: 508.hk) today announced its annual results for the year ended 31 March 2010.

CPHL’s revenue for the year increased 69.2% to HK\$538 million (2008/09: HK\$318 million). The increase in revenue was mainly due to the Group’s acquisition of the remaining 51% of the equity interest in Igor’s leading to a full consolidation of Igor’s full-year results into the Group’s results for the fiscal year 2009/10. However, due mainly to the impairment in goodwill for the purchase of Igor’s and the amortisation of the trademark of Pacific Coffee commencing this fiscal year, the Group recorded a loss of HK\$22.1 million (2008/09: a loss of HK\$159 million).

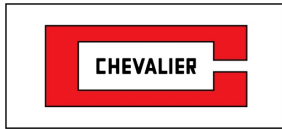
Cash generated from the Group’s operations remained positive, amounting to HK\$83 million (2008/09: HK\$31.5 million) for the year. After carefully considering the Group’s anticipated funding requirements for its operations and investments, the Board has decided to declare a final dividend of HK0.5 cent (2008/09: HK0.1 cent) per share. This, together with the interim dividend of HK0.1 cent (2008/09: HK0.1 cent) per share, represented the total dividends of HK0.6 cent (2008/09: HK0.2 cent) per share.

CPHL is an investment holding company which is principally engaged in food and beverages, investments in securities as well as nature resources business.

Food & Beverages

The Food & Beverages (“F&B”) segment encompasses the Pacific Coffee brand of coffeehouses and the wide range of restaurants and bars in the Igor’s portfolio. The total number of Pacific Coffee outlets increased to 84 from 81 last year, while Igor’s is now operating 35 outlets (2008/09: 30 outlets).

As a result of economic recovery and the full consolidation of Igor’s performance, the F&B segment’s revenue increased by 72.9% to HK\$538 million during the year under review. However, this segment recorded a loss of HK\$14.4 million after absorbing an impairment of HK\$29.2 million in goodwill for the purchase of Igor’s and a HK\$7.2 million amortisation of the trademark of Pacific Coffee (2008/09: a loss of HK\$131 million after absorbing impairments of goodwill and fixed assets of HK\$134 million).



Investments in Securities

The Investments in Securities segment invests mainly in unlisted equities and funds, as well as in fixed-income deposits. Due to the recovery of the global financial markets and a significant reduction in the size of its investment portfolio, the Group's investments in securities reported a segment profit of HK\$0.7 million (2008/09: a loss of HK\$25.3 million).

Natural Resources

The Group is in the preliminary due diligence stage of exploring opportunities in the natural resources industry, and thus no segment revenue was achieved during the financial year under review.

Prospects

The Hong Kong economy looks set to continue improving gradually, due to sustained economic growth that is expected in Mainland China and worldwide. Therefore, the Group is prudently optimistic about the future prospects for the food and beverages sector. Pacific Coffee will continue to develop its coffee business further, with a special focus on Mainland China and other Asian countries. This will lead to a viable revenue stream for the Group, and it will further strengthen awareness of the Pacific Coffee brand on the global scene. In addition, Igor's will further strengthen the performance of its existing outlets by investing in marketing, operational efficiency, and improvements in the quality of its food and service. At the same time, it will continue to seize opportunities to open new outlets in order to expand its footprint in Hong Kong. While the Group will carry on to adopt a conservative approach to its investment portfolio, it will also continue to explore and evaluate opportunities in natural resources sector in a cautious manner.

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Details of the announcement can be found on our website: <http://www.chevalier.com>

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