



PRESS RELEASE

14 March 2007

**Chevalier iTech Disposes of IT Business
To Focus on Food & Beverage Business**

(Hong Kong, March 14, 2007) - Chevalier iTech Holdings Limited, ("CiTL" or the "Company") (stock code: 508) announced today that it will dispose of its IT and related businesses to allow for focusing attention and resources on its food and beverage business. The Company will sell the IT and related businesses to its parent company - Chevalier International Holdings Limited (CIHL) (stock code: 25) at an aggregate cash consideration of approximately HK\$56 million from internal resources of CIHL according to the agreement.

CiTL's previous scope of business covered the provision of computer and information communication technology services, food & beverage business and investment in securities. Seeing strong growth momentum in the food & beverage sector, the management decided to realign the Company's business focus and resources. The proceeds from the disposal will be applied as general working capital of CiTL.

As at 31 January 2007, the consolidated net asset value of CiTL's disposal amounted to approximately HK\$56 million. For the year ended 31 March 2006, the consolidated turnover and operating profit of the business disposed of, in aggregate, was approximately HK\$549 million (FY2005: HK\$574.9 million) and HK\$18.4 million (FY2005: HK\$1.5 million), respectively.

Dr. CHOW Yei Ching, Chairman of CIHL and CiTL, said, " Following the acquisition of Pacific Coffee in May 2005, CiTL recently acquired Igor's, a F&B group with over 20 bars and restaurants in Hong Kong. The strong operational performance of both Pacific Coffee and Igor's is proof of CiTL taking its business in the right direction. We hope to grow our food and beverage business that it may reap the best economy of scale benefits and broaden the income stream. We also plan to explore opportunities for the business in neighbouring regions. Disposing of the IT business will give us the capital required and free resources for CiTL to achieve those objectives. As for CIHL, acquiring the profitable IT business is in the interest of shareholders. This move will undoubtedly benefit both companies' development in the long run and bring fruitful returns to our shareholders."

Trading in the shares of CiTL on the Stock Exchange was suspended from 9:30 a.m. on 13 March and resumed at 9:30 a.m. on 15 March 2007.

- End -