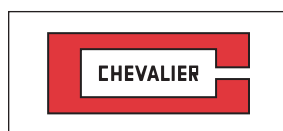


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## CHEVALIER INTERNATIONAL HOLDINGS LIMITED

其士國際集團有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 25)

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

The Directors of Chevalier International Holdings Limited (the “Company”) are pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (together, the “Group”) for the six months ended 30 September 2019, together with the comparative figures for the corresponding period in 2018 as follows:

#### CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

	Note	Unaudited	
		Six months ended 2019	Six months ended 2018
		HK\$'000	HK\$'000
<b>Revenue</b>	4	<b>3,118,787</b>	3,459,535
Cost of sales		<b>(2,676,358)</b>	(3,025,754)
Gross profit		<b>442,429</b>	433,781
Other income, net	5	<b>30,128</b>	44,011
Other gains/(losses), net	6	<b>20,632</b>	(5,315)
Gain on disposals of subsidiaries	6	<b>205,427</b>	–
Selling and distribution costs		<b>(57,151)</b>	(85,058)
Administrative expenses		<b>(184,765)</b>	(166,473)
Operating profit		<b>456,700</b>	220,946
Share of results of associates		<b>80,447</b>	52,193
Share of results of joint ventures		<b>(5,484)</b>	48,651
		<b>531,663</b>	321,790
Finance income	7	<b>28,969</b>	12,061
Finance costs	7	<b>(64,043)</b>	(63,250)
Finance costs, net	7	<b>(35,074)</b>	(51,189)
Profit before taxation	8	<b>496,589</b>	270,601
Taxation	9	<b>(66,989)</b>	(56,280)
<b>Profit for the period</b>		<b>429,600</b>	214,321
<b>Attributable to:</b>			
Shareholders of the Company		<b>414,897</b>	194,038
Non-controlling interests		<b>14,703</b>	20,283
		<b>429,600</b>	214,321
<b>Earnings per share</b>			
– basic and diluted (HK\$ per share)	10	<b>1.37</b>	0.64

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019**

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	<b>2019</b>	<b>2018</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Profit for the period</b>	<b>429,600</b>	<b>214,321</b>
<b>Other comprehensive income/(expenses) for the period</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Change in fair value of investments at fair value through other comprehensive income	4,753	(13,212)
<b>Items that may be reclassified subsequently to profit or loss</b>		
Exchange difference on translation of operations of overseas subsidiaries, associates and joint ventures	(234,520)	(320,455)
Fair value adjustments on the derivative financial instruments designated as cash flow hedge	(333)	(81)
Other comprehensive expenses for the period, net of tax	(230,100)	(333,748)
<b>Total comprehensive income/(expenses) for the period</b>	<b>199,500</b>	<b>(119,427)</b>
<b>Attributable to:</b>		
Shareholders of the Company	200,178	(115,436)
Non-controlling interests	(678)	(3,991)
	<b>199,500</b>	<b>(119,427)</b>

Note:

Items shown within other comprehensive income/(expenses) are disclosed net of tax.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2019**

	Unaudited 30 September 2019	Audited 31 March 2019
Note	HK\$'000	HK\$'000
<b>Non-current assets</b>		
Investment properties	3,694,690	3,769,835
Property, plant and equipment	3,157,108	3,161,325
Goodwill	683,170	684,138
Other intangible assets	49,905	63,521
Interests in associates	512,034	474,452
Interests in joint ventures	1,049,024	1,258,318
Investments at fair value through other comprehensive income	91,831	47,404
Investments at fair value through profit or loss	384,287	331,013
Investments at amortised cost	31,015	30,851
Properties under development	426,473	434,051
Deferred tax assets	28,121	29,916
Other non-current assets	117,528	107,615
	<u>10,225,186</u>	<u>10,392,439</u>
<b>Current assets</b>		
Amounts due from associates	13,876	18,371
Amounts due from joint ventures	65,059	56
Amounts due from non-controlling interests	41,156	41,382
Investments at fair value through profit or loss	427,154	415,261
Investments at amortised cost	3,952	3,970
Inventories	289,734	326,865
Properties for sale	298,691	366,619
Properties under development	1,737,316	1,779,646
Debtors, contract assets, deposits and prepayments	12 1,457,678	1,375,643
Derivative financial instruments	49	397
Prepaid tax	20,839	23,069
Bank balances and cash	2,250,258	1,833,084
	<u>6,605,762</u>	<u>6,184,363</u>
Assets held-for-sale	–	516,549
	<u>6,605,762</u>	<u>6,700,912</u>

		<b>Unaudited</b>	Audited
		<b>30 September</b>	31 March
		<b>2019</b>	2019
	Note	<b>HK\$'000</b>	HK\$'000
<b>Current liabilities</b>			
Amounts due to joint ventures		6,128	6,490
Amounts due to non-controlling interests		257,094	259,713
Derivative financial instruments		11	66
Creditors, bills payable, deposits, contract liabilities and accruals	13	2,332,416	2,523,047
Unearned insurance premiums and unexpired risk reserves		52,778	47,028
Outstanding insurance claims		223,610	237,913
Current income tax liabilities		86,081	66,276
Bank and other borrowings		675,623	1,109,840
Lease liabilities		14,396	–
		<u>3,648,137</u>	<u>4,250,373</u>
Liabilities directly associated with assets held-for-sale		–	34
		<u>3,648,137</u>	<u>4,250,407</u>
<b>Net current assets</b>		<u>2,957,625</u>	<u>2,450,505</u>
<b>Total assets less current liabilities</b>		<u>13,182,811</u>	<u>12,842,944</u>
<b>Capital and reserves</b>			
Share capital		377,411	377,411
Reserves		8,738,576	8,644,073
Shareholders' funds		9,115,987	9,021,484
Non-controlling interests		609,996	620,589
<b>Total equity</b>		<u>9,725,983</u>	<u>9,642,073</u>
<b>Non-current liabilities</b>			
Amount due to a non-controlling interest		140,715	118,137
Unearned insurance premiums		89,332	89,500
Bank and other borrowings		2,822,849	2,630,370
Lease liabilities		53,668	–
Deferred tax liabilities		350,264	362,864
		<u>3,456,828</u>	<u>3,200,871</u>
<b>Total equity and non-current liabilities</b>		<u>13,182,811</u>	<u>12,842,944</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2019, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

## 2 PRINCIPAL ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these condensed consolidated interim financial statements are consistent with those as described in the annual consolidated financial statements for the year ended 31 March 2019.

Taxes on income in the interim periods are accrued using the tax rates that would be applicable to expected total annual earnings.

The HKICPA has issued the following new standard which is effective for accounting period beginning on 1 January 2019:

- HKFRS 16, “Leases”

The impact of the adoption of this standard and the new accounting policies are disclosed in note 3 below.

The following amendments, interpretation and improvements to existing standards, that are relevant to the Group’s operation, are also mandatory for the financial year of the Group beginning on 1 April 2019:

- HKAS 19 (amendment), “Plan Amendment, Curtailment or Settlement”
- HKAS 28 (amendment), “Long-term Interests in Associates and Joint Ventures”
- HKFRS 9 (amendment), “Prepayment Features with Negative Compensation”
- HK(IFRIC)-Int 23, “Uncertainty over Income Tax Treatments”
- Annual Improvements Project - Annual Improvements to HKFRSs 2015–2017 Cycle

The adoption of the amendments, interpretation and improvements to existing standards neither have significant impact on the Group’s consolidated results and financial position nor any substantial changes in the Group’s accounting policies and the presentation of the condensed consolidated interim financial statements.

The following new standard and amendments to existing standards, that are relevant to the Group’s operation, have been issued but not yet effective or early adopted for the financial year of the Group beginning on 1 April 2019:

- HKAS 1 and HKAS 8 (amendment), “Definition of Material”<sup>1</sup>
- HKFRS 3 (amendment), “Definition of a Business”<sup>1</sup>
- HKFRS 10 and HKAS 28 (amendment), “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”<sup>3</sup>
- HKFRS 17, “Insurance Contracts”<sup>2</sup>
- Conceptual Framework for Financial Reporting 2018 – “Revised Conceptual Framework for Financial Reporting”<sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2020

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

The Group is in the process of assessing the impact of these new standard and amendments to existing standards on the Group's consolidated financial statements and is not yet in a position to state the effect and its significance.

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 March 2019.

### **3 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES**

The impacts of the adoption of HKFRS 16 "Leases" ("HKFRS 16") on the Group's consolidated financial statements are detailed below and it also discloses the new accounting policies that have been applied from 1 April 2019, where they are different to those applied in prior periods.

#### **(a) Impact on the consolidated financial statements**

As explained in note 3(b) below, the Group has adopted HKFRS 16 retrospectively from 1 April 2019, but has not restated comparative information for the prior reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are therefore not reflected in the consolidated statement of financial position as at 31 March 2019, but are recognised in the opening consolidated statement of financial position as at 1 April 2019.

#### **(b) HKFRS 16 – Impact of adoption**

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of HKAS 17 "Leases" ("HKAS 17"). These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rates applied to the lease liabilities on 1 April 2019 were 2.95% for leases in Hong Kong, 4.75% for leases in Mainland China and 5.13% for leases in United States of America ("the US"). While for right-of-use assets, the Group has elected to measure the right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application.

The change in accounting policies affected the following items in the consolidated statement of financial position as at 1 April 2019:

- Property, plant and equipment (including right-of-use assets) – increase by HK\$76,388,216
- Debtors, contract assets, deposits and prepayments – decrease by HK\$698,582
- Bank and other borrowings – decrease by HK\$276,831
- Lease liabilities – increase by HK\$75,966,465

There were no impact on retained profits on 1 April 2019.

**(c) Practical expedients applied**

In applying HKFRS16 for the first time, the Group has used the following practical expedients permitted by the standard:

- not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made applying HKAS 17 and HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease”;
- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous by applying HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” as an alternative to performing an impairment review;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

**(d) HKFRS 16 – Accounting policies applied from 1 April 2019**

The Group leases various office buildings, warehouse, factory and equipment. Rental contracts are made for a range of fixed periods. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the financial year ended 31 March 2019, leases were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to the profit or loss on a straight-line basis over the period of the lease.

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.



#### 4 SEGMENT INFORMATION

##### (a) Revenue and results

The Board reviewed the Group's internal reports to assess the Group's performance and to allocate resources.

Reportable segment information is presented below:

	Construction and engineering HK\$'000	Property investment HK\$'000	Property development and operations HK\$'000	Healthcare investment HK\$'000	Car dealership HK\$'000	Others HK\$'000	Total HK\$'000
<b>For the six months ended</b>							
<b>30 September 2019</b>							
<b>REVENUE</b>							
Total revenue	1,105,359	73,277	325,078	420,454	961,743	284,728	3,170,639
Inter-segment revenue	–	–	(22,346)	–	–	(29,506)	(51,852)
Group revenue	1,105,359	73,277	302,732	420,454	961,743	255,222	3,118,787
Share of revenue of associates and joint ventures	959,810	–	127,542	59,065	264,028	63,057	1,473,502
Proportionate revenue from a joint venture eliminated	(58,644)	–	–	–	–	–	(58,644)
<b>Segment revenue</b>	<b>2,006,525</b>	<b>73,277</b>	<b>430,274</b>	<b>479,519</b>	<b>1,225,771</b>	<b>318,279</b>	<b>4,533,645</b>

<b>Revenue from contracts with customers:</b>							
– recognised at a point in time	12,136	–	135,629	–	955,603	201,251	1,304,619
– recognised over time	1,093,206	–	147,237	420,454	–	16,474	1,677,371
Revenue from other sources	17	73,277	19,866	–	6,140	37,497	136,797
Group revenue	1,105,359	73,277	302,732	420,454	961,743	255,222	3,118,787

##### RESULTS

<b>Segment profit/(loss)</b>	<b>179,837</b>	<b>118,489</b>	<b>263,075</b>	<b>(18,848)</b>	<b>(3,599)</b>	<b>15,969</b>	<b>554,923</b>
Included in segment profit/(loss) are:							
Share of results of associates	88,231	–	–	–	–	(7,784)	80,447
Share of results of joint ventures	481	–	875	(9,804)	2,964	–	(5,484)
Depreciation and amortisation, net of capitalisation	(13,968)	(240)	(29,872)	(41,930)	(13,003)	(5,513)	(104,526)
Unrealised gain on derivative financial instruments	32	–	–	–	–	–	32
Unrealised loss on investments at fair value through profit or loss	–	–	–	–	–	(1,600)	(1,600)
Provision recognised for inventories to net realisable value, net	(4)	–	–	–	(571)	(1,375)	(1,950)
Provision written back/(recognised) on trade and other debtors, net	368	–	–	(2,969)	–	(6)	(2,607)

	Construction and engineering HK\$'000	Property investment HK\$'000	Property development and operations HK\$'000	Healthcare investment HK\$'000	Car dealership HK\$'000	Others HK\$'000	Total HK\$'000
<b>For the six months ended</b>							
<b>30 September 2018</b>							
<b>REVENUE</b>							
Total revenue	1,285,569	69,147	486,488	337,804	1,080,386	242,298	3,501,692
Inter-segment revenue	–	–	(22,153)	–	–	(20,004)	(42,157)
Group revenue	1,285,569	69,147	464,335	337,804	1,080,386	222,294	3,459,535
Share of revenue of associates and joint ventures	801,860	–	265,755	60,884	231,000	76,407	1,435,906
Proportionate revenue from a joint venture eliminated	(14,666)	–	–	–	–	–	(14,666)
<b>Segment revenue</b>	<b>2,072,763</b>	<b>69,147</b>	<b>730,090</b>	<b>398,688</b>	<b>1,311,386</b>	<b>298,701</b>	<b>4,880,775</b>

<b>Revenue from contracts with customers:</b>							
– recognised at a point in time	20,081	–	310,343	337,804	1,080,386	182,323	1,930,937
– recognised over time	1,265,470	–	150,249	–	–	14,014	1,429,733
Revenue from other sources	18	69,147	3,743	–	–	25,957	98,865
Group revenue	1,285,569	69,147	464,335	337,804	1,080,386	222,294	3,459,535

<b>RESULTS</b>							
<b>Segment profit</b>	<b>108,141</b>	<b>49,994</b>	<b>112,642</b>	<b>41,773</b>	<b>4,899</b>	<b>21,691</b>	<b>339,140</b>
Included in segment profit are:							
Share of results of associates	53,501	–	845	–	–	(2,153)	52,193
Share of results of joint ventures	172	–	11,359	34,118	3,002	–	48,651
Depreciation and amortisation, net of capitalisation	(3,987)	(291)	(27,405)	(27,281)	(11,402)	(1,251)	(71,617)
Unrealised gain on derivative financial instruments	416	–	–	–	–	–	416
Unrealised gain on investments at fair value through profit or loss	–	–	–	–	–	78	78
Provision written back/(recognised) for inventories to net realisable value, net	4	–	–	–	(665)	(556)	(1,217)
Provision written back/(recognised) on trade and other debtors, net	1,486	(6)	–	(3,099)	–	(93)	(1,712)

Inter-segment revenue is charged at prices determined by management with reference to market prices.

Reconciliation of segment profit to profit before taxation is provided as follows:

	<b>Six months ended 30 September</b>	
	<b>2019</b>	<b>2018</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Segment profit	<b>554,923</b>	339,140
Unallocated corporate expenses	<b>(23,260)</b>	(17,350)
Finance income	<b>28,969</b>	12,061
Finance costs	<b>(64,043)</b>	(63,250)
Profit before taxation	<b><u>496,589</u></b>	<u>270,601</u>

**(b) Assets and liabilities**

	<b>Construction and engineering HK\$'000</b>	<b>Property investment HK\$'000</b>	<b>Property development and operations HK\$'000</b>	<b>Healthcare investment HK\$'000</b>	<b>Car dealership HK\$'000</b>	<b>Others HK\$'000</b>	<b>Total HK\$'000</b>
<b>At 30 September 2019</b>							
<b>ASSETS</b>							
Segment assets	<u>1,650,018</u>	<u>4,034,629</u>	<u>4,629,710</u>	<u>2,766,234</u>	<u>1,039,650</u>	<u>1,535,510</u>	<u>15,655,751</u>
Included in segment assets are:							
Interests in associates	477,106	–	1,297	–	–	33,631	512,034
Interests in joint ventures	12,986	–	333,774	625,904	76,360	–	1,049,024
Amount due from associates	13,052	–	–	–	–	824	13,876
Amount due from joint ventures	–	–	65,059	–	–	–	65,059
Additions to non-current assets (note)	<u>4,107</u>	<u>224</u>	<u>22,739</u>	<u>26,081</u>	<u>12,741</u>	<u>650</u>	<u>66,542</u>
<b>LIABILITIES</b>							
Segment liabilities	<u>1,589,132</u>	<u>38,943</u>	<u>263,002</u>	<u>252,458</u>	<u>473,664</u>	<u>462,062</u>	<u>3,079,261</u>
Included in segment liabilities are:							
Amounts due to joint ventures	<u>–</u>	<u>–</u>	<u>5,922</u>	<u>–</u>	<u>206</u>	<u>–</u>	<u>6,128</u>

	Construction and engineering HK\$'000	Property investment HK\$'000	Property development and operations HK\$'000	Healthcare investment HK\$'000	Car dealership HK\$'000	Others HK\$'000	Total HK\$'000
<b>At 31 March 2019</b>							
<b>ASSETS</b>							
<b>Segment assets</b>	<u>1,584,159</u>	<u>4,295,194</u>	<u>5,521,114</u>	<u>2,806,904</u>	<u>1,015,704</u>	<u>1,456,845</u>	<u>16,679,920</u>
Included in segment assets are:							
Interests in associates	431,656	–	1,381	–	–	41,415	474,452
Interests in joint ventures	12,506	–	516,578	651,060	78,174	–	1,258,318
Amounts due from associates	17,684	–	–	–	–	687	18,371
Amounts due from joint ventures	50	–	6	–	–	–	56
Additions to non-current assets (note)	<u>13,885</u>	<u>1,077</u>	<u>522,450</u>	<u>551,615</u>	<u>21,475</u>	<u>9,929</u>	<u>1,120,431</u>
<b>LIABILITIES</b>							
<b>Segment liabilities</b>	<u>1,615,001</u>	<u>68,067</u>	<u>462,093</u>	<u>223,650</u>	<u>403,534</u>	<u>460,688</u>	<u>3,233,033</u>
Included in segment liabilities are:							
Amounts due to joint ventures	–	–	6,299	–	191	–	6,490

Note:

In this analysis, the non-current assets exclude financial instruments (including interests in associates and joint ventures) and deferred tax assets.

Reconciliation of segment assets and liabilities to total assets and liabilities is provided as follows:

	<b>As at 30 September 2019 HK\$'000</b>	As at 31 March 2019 HK\$'000
Segment assets	<b>15,655,751</b>	16,679,920
Prepaid tax	<b>20,839</b>	23,069
Unallocated bank balances and cash	<b>1,116,908</b>	351,116
Deferred tax assets	<b>28,121</b>	29,916
Other unallocated assets	<b>9,329</b>	9,330
Total assets	<u><b>16,830,948</b></u>	<u>17,093,351</u>

	As at 30 September 2019 HK\$'000	As at 31 March 2019 HK\$'000
Segment liabilities	3,079,261	3,233,033
Current income tax liabilities	86,081	66,276
Bank and other borrowings	3,498,472	3,740,210
Deferred tax liabilities	350,264	362,864
Other unallocated liabilities	90,887	48,895
	<u>7,104,965</u>	<u>7,451,278</u>
Total liabilities	<u>7,104,965</u>	<u>7,451,278</u>

(c) **Geographical information**

The Group's operations in construction and engineering businesses are mainly carried out in Hong Kong, Mainland China, Macau and Australia. Property investment businesses are mainly carried out in Hong Kong, Mainland China, Canada and Singapore. Property development and operations businesses are mainly carried out in Hong Kong, Mainland China and Canada. Healthcare investment businesses are carried out in Hong Kong and the US. Car dealership businesses are carried out in Mainland China and Canada. Other businesses are mainly carried out in Hong Kong, the US and Thailand.

The associates' and joint ventures' operations in construction and engineering businesses are mainly carried out in Hong Kong, Mainland China, Singapore and Macau. Property development and operations businesses are mainly carried out in Hong Kong and Mainland China. Healthcare investment businesses are carried out in the US. Car dealership businesses are carried out in Mainland China. Other businesses are mainly carried out in Hong Kong, Macau and Australia.

	Segment revenue by geographical areas							
	Six months ended				Six months ended			
	Company and subsidiaries HK\$'000	Associates and joint ventures HK\$'000	30 September 2019 Total HK\$'000	%	Company and subsidiaries HK\$'000	Associates and joint ventures HK\$'000	30 September 2018 Total HK\$'000	%
Mainland China	886,319	784,012	1,670,331	36	1,164,995	681,795	1,846,790	38
Hong Kong	1,048,147	379,613 <sup>1</sup>	1,427,760	31	1,290,435	535,233 <sup>1</sup>	1,825,668	37
The US	554,415	59,065	613,480	14	404,032	60,884	464,916	10
Macau	357,803	9,036	366,839	8	274,760	20,391	295,151	6
Canada	217,574	–	217,574	5	235,568	–	235,568	5
Singapore	6,124	170,345	176,469	4	5,889	109,684	115,573	2
Australia	20,171	12,564	32,735	1	57,015	13,038	70,053	1
Thailand	28,234	–	28,234	1	26,841	–	26,841	1
Others	–	223	223	–	–	215	215	–
	<u>3,118,787</u>	<u>1,414,858</u>	<u>4,533,645</u>	<u>100</u>	<u>3,459,535</u>	<u>1,421,240</u>	<u>4,880,775</u>	<u>100</u>

<sup>1</sup> The proportionate revenue from a joint venture is eliminated.

The Group maintains a healthy and balanced portfolio of customers. No customer is accounted for 10% or more of the total revenue of the Group for the periods ended 30 September 2019 and 2018.

## 5 OTHER INCOME, NET

Six months ended 30 September  
2019 2018  
HK\$'000 HK\$'000

Included in other income, net are:

(Loss)/gain on investments at fair value through profit or loss	(3,944)	2,555
Gain/(loss) on derivative financial instruments	32	(515)
Sales and marketing services income from an associate	16,529	15,487
Management fee income from an associate and joint ventures	11,146	11,625
Interest income from a joint venture	–	9,183
	<u>          </u>	<u>          </u>

## 6 OTHER GAINS/(LOSSES), NET

Six months ended 30 September  
2019 2018  
HK\$'000 HK\$'000

Included in other gains/(losses), net are:

Gain/(loss) on disposal of property, plant and equipment	913	(675)
Provision recognised on trade and other debtors, net	(2,607)	(1,712)
Exchange gain/(loss)	22,326	(2,928)
	<u>          </u>	<u>          </u>

### Gain on disposals of subsidiaries

Gain on disposals of

– Moon Colour Group (note 14(a))	166,747	–
– New Rise (note 14(b))	38,680	–
	<u>          </u>	<u>          </u>

## 7 FINANCE COSTS, NET

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Interest expenses on bank overdrafts and bank and other borrowings	79,437	63,250
Less: Amounts capitalised to properties under development (note)	<u>(16,817)</u>	<u>–</u>
	62,620	63,250
Interest expenses on lease liabilities	1,473	–
Less: Amounts capitalised to contract work (note)	<u>(50)</u>	<u>–</u>
	1,423	–
Less: Interest income from bank deposits and a joint venture	<u>(28,969)</u>	<u>(12,061)</u>
	<u><u>35,074</u></u>	<u><u>51,189</u></u>

Note:

The capitalisation rate applied to funds borrowed and used for the development of properties and contract work was between 2.63% and 3.61% per annum during the six months ended 30 September 2019.

## 8 PROFIT BEFORE TAXATION

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Profit before taxation has been arrived at after charging/(crediting) the following:		
Cost of inventories recognised as expenses	928,130	1,032,457
Provision for inventories to net realisable value, net	1,950	1,217
Staff costs	598,916	543,127
Less: Amounts capitalised to contract work	<u>(95,082)</u>	<u>(87,823)</u>
	503,834	455,304
Short term lease payments in respect of leasing of		
– premises	3,794	8,517
– equipment	1,286	1,485
	5,080	10,002
Depreciation of property, plant and equipment	92,595	67,597
Less: Amounts capitalised to contract work	<u>(1,603)</u>	<u>(1,006)</u>
	90,992	66,591
Amortisation of other intangible assets	13,534	5,026
Acquisition related expenses	<u>–</u>	<u>10,734</u>

## 9 TAXATION

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Current tax		
Hong Kong	30,688	25,576
Mainland China	11,622	11,318
Overseas	16,159	14,073
Over-provision in prior years	(573)	(476)
	<u>57,896</u>	<u>50,491</u>
Deferred tax		
Origination and reversal of temporary differences	9,093	5,789
	<u>66,989</u>	<u>56,280</u>

Hong Kong profits tax is calculated at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits. Taxation on Mainland China and overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

## 10 EARNINGS PER SHARE

The earnings per share is calculated by dividing the profit attributable to shareholders of the Company of HK\$414,897,000 (2018: HK\$194,038,000) by the weighted average number of 301,928,440 (2018: 301,928,440) ordinary shares in issue during the period.

## 11 DIVIDEND

	Six months ended 30 September	
	2019	2018
	HK\$'000	HK\$'000
Interim dividend of HK\$0.20 (2018: HK\$0.15) per share	<u>60,386</u>	<u>45,289</u>

On 27 November 2019, the Board of Directors declared an interim dividend of HK\$0.20 per share. The interim dividend is not reflected as a dividend payable in these condensed consolidated interim financial statements, but will be reflected as an appropriation of the retained profits for the year ending 31 March 2020.

The 2018/19 final dividend of HK\$0.35 per share totaling HK\$105,675,000 was declared and approved at the annual general meeting held on 28 August 2019 and paid on 18 September 2019. The 2018/19 final dividend has been reflected as an appropriation of the retained profits for the six months ended 30 September 2019.



## 12 DEBTORS, CONTRACT ASSETS, DEPOSITS AND PREPAYMENTS

	As at 30 September 2019 HK\$'000	As at 31 March 2019 HK\$'000
Trade debtors	533,528	553,658
Less: Provision for impairment	<u>(31,606)</u>	<u>(30,865)</u>
Trade debtors, net	501,922	522,793
Retention receivables	279,914	297,254
Less: Provision for impairment	<u>(9,186)</u>	<u>(9,186)</u>
Retention receivables, net	270,728	288,068
Contract assets	45,125	61,702
Other debtors, deposits and prepayments	<u>639,903</u>	<u>503,080</u>
	<u><b>1,457,678</b></u>	<u><b>1,375,643</b></u>

The Group has established different credit policies for customers in each of its core businesses. The average credit period granted to trade debtors is 60 days, except for insurance business where credit period granted to certain debtors is over 60 days.

The ageing analysis of trade debtors, net of impairment provision, is presented based on the invoice date as follows:

	As at 30 September 2019 HK\$'000	As at 31 March 2019 HK\$'000
0–60 days	395,405	360,692
61–90 days	38,112	74,611
Over 90 days	<u>68,405</u>	<u>87,490</u>
	<u><b>501,922</b></u>	<u><b>522,793</b></u>

**13 CREDITORS, BILLS PAYABLE, DEPOSITS, CONTRACT LIABILITIES AND ACCRUALS**

	<b>As at 30 September 2019 HK\$'000</b>	<b>As at 31 March 2019 HK\$'000</b>
Trade creditors and bills payable	<b>342,691</b>	287,318
Retention payables	<b>202,193</b>	208,431
Deposits received	<b>118,128</b>	177,441
Contract liabilities	<b>112,271</b>	97,431
Accrued contract costs	<b>1,064,580</b>	1,246,367
Other creditors and accruals	<b>492,553</b>	506,059
	<b><u>2,332,416</u></b>	<b><u>2,523,047</u></b>

The ageing analysis of trade creditors and bills payable is as follows:

	<b>As at 30 September 2019 HK\$'000</b>	<b>As at 31 March 2019 HK\$'000</b>
0–60 days	<b>306,094</b>	265,795
61–90 days	<b>6,874</b>	6,261
Over 90 days	<b>29,723</b>	15,262
	<b><u>342,691</u></b>	<b><u>287,318</u></b>

## 14 DISPOSAL OF BUSINESSES

### (a) Disposal of Moon Colour Holdings Limited and its subsidiaries (“Moon Colour Group”)

On 28 March 2019, the Group entered into an agreement to dispose of entire interest in Moon Colour Group at a consideration of approximately HK\$540,000,000. The transaction completed on 1 April 2019.

	2019 HK\$'000
Cash consideration	540,244
Less: professional fees and other expenses	<u>(2,969)</u>
	----- 537,275
Net assets disposed of:	<u>(370,528)</u>
Gain on disposal, net (note 6)	<u>166,747</u>
Net cash inflow arising from the disposal:	
Cash consideration received	540,244
Professional fees and other expenses	<u>(2,969)</u>
	----- <u>537,275</u>

### (b) Disposal of New Rise Properties Limited (“New Rise”)

In March 2019, the Group entered into an option agreement with an independent third party. Under the option agreement, the counterparty has right to acquire New Rise. In June 2019, the counterparty has exercised the option to acquire New Rise at a consideration of HK\$187,000,000. The transaction completed in the same month.

	2019 HK\$'000
Cash consideration	187,000
Less: professional fees and other expenses	<u>(2,301)</u>
	----- 184,699
Net assets disposed of:	<u>(146,019)</u>
Gain on disposal, net (note 6)	<u>38,680</u>
Net cash inflow arising from the disposal:	
Cash consideration received	187,000
Professional fees and other expenses	<u>(2,301)</u>
	----- <u>184,699</u>

## 15 CONTINGENT LIABILITIES

The Group had contingent liabilities in respect of guarantees issued for utilised borrowings in relation to:

	As at 30 September 2019 HK\$'000	As at 31 March 2019 HK\$'000
Banking facilities granted to associates	5,766	1,398
Banking facilities granted to a joint venture	2,200	–
Guarantees given to banks and housing retirement fund management centers for mortgage facilities granted to certain buyers of properties	<u>493,658</u>	<u>521,960</u>
	<u><b>501,624</b></u>	<u><b>523,358</b></u>

The Group's share of contingent liabilities of its joint ventures was as follows:

	As at 30 September 2019 HK\$'000	As at 31 March 2019 HK\$'000
Guarantees given to banks for mortgage facilities granted to certain buyers of the joint ventures' properties	<u>270</u>	<u>287</u>

## 16 COMMITMENT

The Group had commitment as follows:

	As at 30 September 2019 HK\$'000	As at 31 March 2019 HK\$'000
Contracted but not provided for in the condensed consolidated interim financial statements in respect of		
– property development projects	251,850	342,284
– acquisition of property, plant and equipment	<u>638</u>	<u>1,083</u>
	<u><b>252,488</b></u>	<u><b>343,367</b></u>

The Group's share of commitment of its joint ventures was as follows:

	As at 30 September 2019 HK\$'000	As at 31 March 2019 HK\$'000
Contracted but not provided for	<u><b>1,329</b></u>	<u><b>8,699</b></u>

## **INTERIM DIVIDEND**

The Board of Directors has resolved to declare an interim dividend of HK\$0.20 (2018: HK\$0.15) per share for the six months ended 30 September 2019. The interim dividend will be payable on or about Friday, 20 December 2019 to those shareholders whose names appear on the Register of Members of the Company on Tuesday, 17 December 2019.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members of the Company will be closed from Friday, 13 December 2019 to Tuesday, 17 December 2019, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the above interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 12 December 2019.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

For the six months ended 30 September 2019, the Group's unaudited interim results recorded a decrease in consolidated revenue with an increase in profit as compared to the corresponding period last year. Consolidated revenue of the Group decreased by 10% to HK\$3,119 million (2018: HK\$3,460 million). Taking into account the share of revenue of associates and joint ventures, total segment revenue was HK\$4,534 million (2018: HK\$4,881 million), representing a decrease of 7%. With a one-off recognised contribution of HK\$229 million derived from (i) the disposal gain of the commercial property development project at Tai Yip Street, Kwun Tong amounting to HK\$167 million, (ii) the disposal gain of the commercial property located at East Sun Industrial Centre at Kwun Tong amounting to HK\$39 million, and (iii) the exchange gain recognised from the return of capital (in the form of repayment of the shareholders' loan to the Group) for the property investment in Shanghai amounting to HK\$23 million, profit for the period under review increased to HK\$430 million from HK\$214 million when compared to the same period last year. Profit attributable to the Company's shareholders boosted to HK\$415 million (2018: HK\$194 million) and hence, the earnings per share was HK\$1.37 (2018: HK\$0.64) for the period under review.

## **CONSTRUCTION AND ENGINEERING**

Revenue of the Construction and Engineering segment reported a slight decrease of 3% from HK\$2,073 million to HK\$2,007 million as compared to the same period last year whereas segment profit increased by 67% to HK\$180 million (2018: HK\$108 million). The increase in profit was mainly due to the satisfactory performance of various business divisions within the segment during the period under review.

As at 30 September 2019, the total value of the Group's outstanding construction and engineering contracts in hand amounted to HK\$5,238 million. Major contracts are:

1. Construction of the extension of the operating theatre block for Tuen Mun Hospital, New Territories;
2. Construction of a commercial development at A.I.L. 462 Yip Kan Street and Wong Chuk Hang Road;
3. Construction of the heated swimming pool at Morse Park, Kowloon;

4. Upgrade of Kwun Tong Preliminary Treatment Works;
5. Mechanical and electrical works for Galaxy Resort and Casino Phase 3C Multi-Functional Hall Convention Complex and Hotel at Cotai City, Macau;
6. Design, supply and installation of tower and podium facade for No. 3, A Kung Ngam Village Road, Shau Kei Wan, Hong Kong; and
7. Supply and installation of kitchen cabinets for residential units at Lai Chi Shan, Tai Po, New Territories.

## **PROPERTY INVESTMENT**

The Property Investment segment comprising property letting business recorded a slight increase in its revenue from HK\$69 million to HK\$73 million, representing a 6% increase as compared to the same period last year. Segment profit soared by 136% from HK\$50 million to HK\$118 million during the recorded period. The surge in segment profit was mainly due to the exchange gain recognised from the return of capital (in the form of repayment of the shareholders' loan to the Group) for the property investment in Shanghai, and the disposal gain of the commercial property located at East Sun Industrial Centre at Kwun Tong.

## **PROPERTY DEVELOPMENT AND OPERATIONS**

The revenue of this segment dropped from HK\$730 million to HK\$430 million, representing a decrease of 41% during the period under review. The decrease was primarily due to the slowdown in the sales of residential units of "Chevalier City" in Changchun and the residential units of "City Hub", a project of a development right granted to a 50-50 joint venture of the Group by Urban Renewal Authority for the redevelopment of the site located at Chi Kiang Street/Ha Heung Road, To Kwa Wan, Kowloon. Segment profit boosted to HK\$263 million (2018: HK\$113 million), representing a growth of 133% when compared to the same reporting period. The contribution of this segment was attributable to the one-off contribution from the disposal gain of the commercial property development project at Tai Yip Street, Kwun Tong.

## **HEALTHCARE INVESTMENT**

During the period under review, the revenue of the Healthcare Investment segment reported an increase from HK\$399 million to HK\$480 million, representing an increase of 20% as compared to last year. Such increase was mainly contributed by the full six months result of 9 senior housing properties acquired in July 2018 and September 2018. Segment results recorded a loss of HK\$19 million (2018: profit of HK\$42 million).

During the period under review, the Group completed the acquisition of 10 senior housing properties and approximately 1,000 units/beds were added to our portfolio. As at 30 September 2019, the Group owned 35 senior housing facilities across 6 States in the US providing over 3,000 units/beds covering a wide spectrum of services including independent living, assisted living, memory care and skilled nursing. The Group also owns 3 medical office buildings located in New York, Pennsylvania and Rhode Island comprising a total gross floor area of approximately 428,000 square feet. With longer life span and advancement in medical technology, the Group is confident that demand for senior housing facilities and medical office buildings will steadily increase in the US.

Leveraging on our healthcare business experience in the US, the Group has partnered with Mitsui & Company (Hong Kong) Limited and Hong Kong-Macao Conference Limited for the redevelopment of Ventria Residence in Happy Valley, Hong Kong. Construction works are underway and the target opening date of the residence is in 2021/2022.

## **CAR DEALERSHIP**

Revenue of this segment slightly declined to HK\$1,226 million (2018: HK\$1,311 million) and the results reported a loss of HK\$4 million (2018: profit of HK\$5 million). Although contribution from the car dealership in Canada was the same as the last period, the overall segment results was affected by the Sino-US trade dispute, slowing macroeconomic growth and the lack of tax incentives for vehicle buyers in Chengdu which comprised our main operation.

As at 30 September 2019, there were a total of 6 import and domestic car brands and 12 4S and parallel-import shops operated by our Chengdu team and 2 automobile dealerships operated by our Canadian team in Ontario, Canada.

## **OTHERS**

Businesses of this segment cover computer and information technology, insurance and investment, freight logistic services, food trading and food and beverage. Segment revenue recorded a growth of 6% from HK\$299 million to HK\$318 million while the segment profit recorded a decrease from HK\$22 million to HK\$16 million, representing a 27% decrease during the period under review. Notwithstanding an increase in the contribution from the insurance operation, such increase was offset by the poor performance of our food and beverage from associates due to the recent social unrest in Hong Kong.

## **FUTURE PROSPECTS**

The Chief Executive has identified housing and land supply as top priorities in her 2019 Policy Address and unveiled a series of measures to support first-time home buyers, including the launch of more “Starter Homes”. Various short and medium-term support measures will be launched to tackle the shortage of housing supply such as the raising of the mortgage cap for first-time home buyers and expediting of planning work and related infrastructure development. Further, it was announced that about 400 hectares of private land is expected to be resumed in the next five years, which is significantly more than the 20 hectares resumed in the past five years. It is anticipated that the Construction and Engineering segment of the Group can benefit from these measures in the future. Moreover, there is over \$70 billion worth of works projects that is still pending funding approval as a result of the backlog of funding applications from the previous legislative sessions. The Government’s latest initiatives and the projects from last year hinge on the approval progress of the Public Works Subcommittee and the Finance Committee of the Legislative Council in this financial year.

The local property market is likely to be affected by the combined effect of a slowing economy in Mainland China, the ongoing US-China trade war, and by the recent social unrest in Hong Kong. Notwithstanding this, given the strong and healthy position of the Group, the Group will continue to explore real estate opportunities as and when appropriate.

An increasing ageing population is the prime driver for the Group's healthcare investment business in the US. The baby boom demographic wave would likely have an enormous and positive impact on the market with considerable new demands for senior housing services. Given the Group's portfolio and wide service range, we are therefore capable of serving a wide spectrum of potential customers with needs for different levels of service and facilities.

Benefitting from the Group's diversified business portfolios and wide range of products and services in Hong Kong and overseas, our management is confident that the performance of the Group will remain stable in the second half of the financial year.

## **FINANCIAL REVIEW**

As at 30 September 2019, the Group's net assets attributable to shareholders of the Company amounted to HK\$9,116 million, an increase of HK\$95 million when compared with 31 March 2019 of HK\$9,021 million. Such increase mainly resulted from the profit attributable to shareholders of the Company of HK\$415 million offset by exchange difference on translation of operations of overseas subsidiaries, associates and joint ventures of HK\$219 million and dividend payment of HK\$106 million.

As at 30 September 2019, the Group's bank and other borrowings decreased to HK\$3,498 million (31 March 2019: HK\$3,740 million) as a result of the repayment of bank loan of senior housing properties during the period. 60.2% and 36.2% of the balance as at 30 September 2019 (31 March 2019: 57.8% and 38.3%) were denominated in Hong Kong dollar and US dollar respectively.

The Group's within one year bank and other borrowings in respect of the portion was decreased from 29.7% as at 31 March 2019 to 19.3% as at 30 September 2019.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group employed approximately 4,000 full-time staff under its subsidiaries globally as at 30 September 2019. Total staff costs amounted to HK\$599 million for the period under review. The remuneration policies of the Group are reviewed periodically on the basis of the nature of job, market trend, company performance and individual performance. Other staff benefits include bonuses awarded on a discretionary basis, medical schemes and retirement schemes.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30 September 2019.

## **CORPORATE GOVERNANCE PRACTICES**

In the opinion of the Directors, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2019, except for the following deviations:



Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same person. The Chairman is responsible for overseeing the Board while the Managing Director is responsible for managing the Group's businesses. Mr. Kuok Hoi Sang serves as both the Chairman and Managing Director of the Company. The Board believes that with Mr. Kuok's comprehensive knowledge in the history and various business segments, and his extensive experience in the operation of the Group, vesting the roles of both Chairman and Managing Director in Mr. Kuok provides the Company with strong and consistent leadership and facilitates the implementation and execution of the Group's business strategies which is in the best interest of the Company.

Code Provision A.4.1 stipulates that Non-Executive Directors should be appointed for a specific term and subject to re-election. As stated in the Company's Annual Report 2019, all the Non-Executive Directors of the Company are not appointed for a specific term but are instead subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Company's Bye-Laws.

### **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Following a specific enquiry of all Directors, each of the Directors confirmed that he/she has complied with the Model Code throughout the six months ended 30 September 2019.

### **AUDIT COMMITTEE**

The Audit Committee comprises four Independent Non-Executive Directors of the Company, namely Mr. Yang Chuen Liang, Charles as Committee chairman, Professor Poon Chung Kwong, Mr. Irons Sze and Mr. Sun Leland Li Hsun as Committee members.

During the period, the Audit Committee has reviewed with the management the accounting policies and practices adopted by the Group and discussed the auditing, risk management and internal control systems of the Group and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 September 2019.

### **PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE**

The interim results announcement of the Company for the six months ended 30 September 2019 is published on the Stock Exchange's website at <http://www.hkexnews.hk> and the Company's website at <http://www.chevalier.com>. The interim report of the Company for the six months ended 30 September 2019 containing all applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the above websites in due course.

## APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank the management team and the staff for their commitment and dedicated efforts, and to thank our shareholders and business associates for their continued strong support for the success of the Group during this period.

By Order of the Board  
**Chevalier International Holdings Limited**  
**KUOK Hoi Sang**  
*Chairman and Managing Director*

Hong Kong, 27 November 2019

*As at the date of this announcement, the Board of the Company comprises Messrs Kuok Hoi Sang (Chairman and Managing Director), Tam Kwok Wing (Deputy Managing Director), Ho Chung Leung, Ma Chi Wing and Miss Lily Chow as Executive Directors; Mr. Yang Chuen Liang, Charles, Professor Poon Chung Kwong, Mr. Irons Sze and Mr. Sun Leland Li Hsun as Independent Non-Executive Directors; Dr. Ko Chan Gock, William and Mr. Chow Vee Tsung, Oscar as Non-Executive Directors.*

\* *For identification purpose only*