CHEVALIER INTERNATIONAL HOLDINGS LIMITED
其士國際集團有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 025)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2009

RESULTS

The Directors of Chevalier International Holdings Limited (the "Company") are pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st March 2009, together with the comparative figures, summarised as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2009

	Note	**2009**	2008
		HK$'000	*HK$'000*
Revenue	*3*	**5,195,577**	5,568,678
Cost of sales		**(4,851,435)**	(4,885,395)
Gross profit		**344,142**	683,283
Other expenses, net	*4*	**(218,778)**	(101,450)
Other gains, net	*5*	**428,386**	422,382
Selling and distribution costs		**(347,474)**	(386,864)
Administrative expenses		**(128,961)**	(125,925)
Operating profit		**77,315**	491,426
Share of results of associates		**7,482**	27,258
Share of results of jointly controlled entities		**(11,356)**	2,909
		73,441	521,593
Finance income	*6*	**16,996**	16,420
Finance costs	*6*	**(86,881)**	(126,043)
Finance costs, net	*6*	**(69,885)**	(109,623)
Profit before taxation	*7*	**3,556**	411,970
Income tax credit/(expenses)	*8*	**4,144**	(112,811)
Profit for the year		**7,700**	299,159
Attributable to:			
Equity holders of the Company		**135,634**	230,747
Minority interests		**(127,934)**	68,412
		7,700	299,159
Dividends	*9*	**126,292**	125,362
Earnings per share			
– Basic *(HK$ per share)*	*10*	**0.49**	0.83
– Diluted *(HK$ per share)*	*10*	**0.49**	0.77

CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH 2009

	Note	**2009**	2008
		HK$'000	*HK$'000*
Non-current assets			
Investment properties		**1,004,810**	1,117,445
Property, plant and equipment		**558,381**	769,438
Prepaid lease payments		**435,197**	446,018
Goodwill		**202,591**	210,330
Other intangible assets		**151,679**	161,044
Interests in associates		**187,482**	172,818
Interests in jointly controlled entities		**383,508**	264,745
Available-for-sale investments		**243,728**	293,224
Investments at fair value through profit or loss		**27,704**	134,005
Deferred tax assets		**4,641**	25,438
Properties under development		**236,424**	–
Other non-current assets		**187,644**	403,187
		3,623,789	3,997,692
Current assets			
Inventories		**150,119**	338,717
Properties for sale		**197,431**	258,945
Debtors, deposits and prepayments	*12*	**1,196,915**	1,450,026
Amounts due from associates		**101,582**	19,273
Amounts due from jointly controlled entities		**424,837**	240,820
Amounts due from customers for contract work		**116,753**	312,422
Investments at fair value through profit or loss		**164,600**	760,218
Derivative financial instruments		**5,893**	9,460
Prepaid tax		**15,297**	9,866
Bank balances and cash		**1,731,606**	1,191,145
		4,105,033	4,590,892
Assets of disposal group classified as held for sale	*11(b)*	**385,642**	–
		4,490,675	4,590,892

	Note	2009 HK$'000	2008 HK$'000
Current liabilities			
Creditors, bills payable, deposits and accruals	13	**988,004**	1,321,692
Unearned insurance premiums			
– due within one year		**24,427**	26,503
Outstanding insurance claims		**167,158**	215,572
Amounts due to associates		**89**	5,926
Amounts due to customers for contract work		**534,181**	260,681
Deferred income		**25,509**	24,484
Current income tax liabilities		**60,174**	81,331
Derivative financial instruments		**86,496**	38,930
Bank borrowings		**826,637**	723,584
Other loans		**–**	315
Other payable		**–**	7,760
Convertible bonds - liability component		**410,798**	–
Convertible bonds - derivative component		**30,488**	–
		3,153,961	2,706,778
Liabilities of disposal group classified as held for sale	11(b)	**200,200**	–
		3,354,161	2,706,778
Net current assets		**1,136,514**	1,884,114
Total assets less current liabilities		**4,760,303**	5,881,806
Capital and reserves			
Share capital		**346,955**	348,228
Reserves		**2,878,053**	2,973,919
Equity attributable to equity holders of the Company		**3,225,008**	3,322,147
Minority interests		**381,328**	445,036
Total equity		**3,606,336**	3,767,183
Non-current liabilities			
Unearned insurance premiums			
– due over one year		**10,468**	11,357
Deferred tax liabilities		**176,198**	206,231
Bank borrowings		**967,301**	1,511,621
Other loans		**–**	1,384
Convertible bonds – liability component		**–**	381,275
Convertible bonds – derivative component		**–**	2,755
		1,153,967	2,114,623
Total equity and non-current liabilities		**4,760,303**	5,881,806

Notes

1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and derivative component for convertible bonds.

The HKICPA has issued a number of amendments to HKFRS that are first effective for the current accounting period of the Group and relevant to the Group's operations. The adoption of these amendments had no material impact to the results and financial position of the Group for the current or prior accounting periods.

The Group has not applied any new and revised standards, amendments or interpretations that are not yet effective for the current accounting period.

2 Business and geographical segments

Business segments

For management purposes, the Group is organised on a worldwide basis into five divisions. These divisions are the basis on which the Group reports its primary segment information. Principal activities of the segments are as follows:

Construction and engineering: Construction and engineering work for lifts and escalators, aluminium windows, civil, building construction, electrical and mechanical, environmental and pipe rehabilitation contracts.

Insurance and investment: General insurance business except aircraft, aircraft liabilities and credit insurance, and investment.

Property: Property investment, development and management, cold storage and logistics, and hotel management.

Food and beverages: Food and beverages trading and retailing.

Computer and information communication technology and others: Sale and servicing of information technology equipment and business machines, retailing, trading and servicing of motor vehicles, and food trading.

Segment information about these businesses is presented below.

Revenue and results
Year ended 31st March 2009

	Construction and engineering *HK$'000*	Insurance and investment *HK$'000*	Property *HK$'000*	Food and beverages *HK$'000*	Computer and information communication technology and others *HK$'000*	Consolidated *HK$'000*
REVENUE						
Total segment revenue	**3,698,050**	**76,798**	**386,879**	**311,106**	**810,740**	**5,283,573**
Inter-segment revenue	**(650)**	**(10,414)**	**(65,502)**	**–**	**(11,430)**	**(87,996)**
External revenue	**3,697,400**	**66,384**	**321,377**	**311,106**	**799,310**	**5,195,577**
RESULTS						
Segment results before impairment loss on goodwill	**(264,147)**	**(235,996)**	**(21,536)**	**(20,289)**	**(15,678)**	**(557,646)**
Impairment loss on goodwill	**(10,579)**	**–**	**–**	**(118,700)**	**–**	**(129,279)**
Segment results	**(274,726)**	**(235,996)**	**(21,536)**	**(138,989)**	**(15,678)**	**(686,925)**
Gain on disposal of interests in subsidiaries	**777,922**	**–**	**–**	**–**	**–**	**777,922**
Unallocated corporate expenses						**(13,682)**
Share of results of associates	**(5,750)**	**–**	**1,934**	**11,229**	**69**	**7,482**
Share of results of jointly controlled entities	**685**	**–**	**(12,041)**	**–**	**–**	**(11,356)**
Finance income						**16,996**
Finance costs						**(86,881)**
Profit before taxation						**3,556**
Income tax credit						**4,144**
Profit for the year						**7,700**

Revenue and results
Year ended 31st March 2008

	Construction and engineering *HK$'000*	Insurance and investment *HK$'000*	Property *HK$'000*	Food and beverages *HK$'000*	Computer and information communication technology and others *HK$'000*	Consolidated *HK$'000*
REVENUE						
Total segment revenue	3,845,780	120,431	419,935	299,034	964,253	5,649,433
Inter-segment revenue	(384)	(15,329)	(52,630)	–	(12,412)	(80,755)
External revenue	3,845,396	105,102	367,305	299,034	951,841	5,568,678
RESULTS						
Segment results	14,652	(71,052)	501,446	7,087	54,859	506,992
Unallocated corporate expenses						(15,566)
Share of results of associates	3,966	–	14,509	9,631	(848)	27,258
Share of results of jointly controlled entities	1,067	–	1,842	–	–	2,909
Finance income						16,420
Finance costs						(126,043)
Profit before taxation						411,970
Income tax expenses						(112,811)
Profit for the year						299,159

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

Assets and liabilities
As at 31st March 2009

	Construction and engineering *HK$'000*	Insurance and investment *HK$'000*	Property *HK$'000*	Food and beverages *HK$'000*	Computer and information communication technology and others *HK$'000*	Consolidated *HK$'000*
ASSETS						
Segment assets	**1,521,576**	**771,964**	**3,210,562**	**468,927**	**345,239**	**6,318,268**
Interests in associates	**98,416**	**–**	**49,763**	**1,079**	**38,224**	**187,482**
Interests in jointly controlled entities	**16,840**	**–**	**366,668**	**–**	**–**	**383,508**
Amounts due from associates	**82,016**	**–**	**5,903**	**311**	**13,352**	**101,582**
Amounts due from jointly controlled entities	**2,136**	**–**	**422,701**	**–**	**–**	**424,837**
Unallocated corporate assets						**698,787**
Total assets						**8,114,464**
LIABILITIES						
Segment liabilities	**1,288,180**	**319,289**	**114,775**	**179,460**	**98,376**	**2,000,080**
Amounts due to associates	**89**	**–**	**–**	**–**	**–**	**89**
Unallocated corporate liabilities						**2,507,959**
Total liabilities						**4,508,128**

Assets and liabilities
As at 31st March 2008

	Construction and engineering *HK$'000*	Insurance and investment *HK$'000*	Property *HK$'000*	Food and beverages *HK$'000*	Computer and information communication technology and others *HK$'000*	Consolidated *HK$'000*
ASSETS						
Segment assets	2,207,257	1,766,442	3,054,712	321,509	409,948	7,759,868
Interests in associates	9,580	–	47,826	77,963	37,449	172,818
Interests in jointly controlled entities	16,155	–	248,590	–	–	264,745
Amounts due from associates	3,296	–	–	4,100	11,877	19,273
Amounts due from jointly controlled entities	3,839	–	236,981	–	–	240,820
Unallocated corporate assets						131,060
Total assets						8,588,584
LIABILITIES						
Segment liabilities	1,247,512	357,957	135,005	56,006	111,612	1,908,092
Amounts due to associates	3,310	–	–	2,616	–	5,926
Unallocated corporate liabilities						2,907,383
Total liabilities						4,821,401

Other information
Year ended 31st March 2009

	Construction and engineering HK$'000	Insurance and investment HK$'000	Property HK$'000	Food and beverages HK$'000	Computer and information communication technology and others HK$'000	Consolidated HK$'000
Capital expenditures	**44,313**	**5,892**	**2,704**	**192,783**	**10,747**	**256,439**
Depreciation and amortisation	**37,302**	**68**	**17,633**	**22,096**	**4,815**	**81,914**
(Write back of)/provision for impairment loss on property, plant and equipment	**(3,193)**	**–**	**6,803**	**15,529**	**–**	**19,139**
Impairment loss on available-for-sale investments	**–**	**10,552**	**–**	**–**	**–**	**10,552**
Impairment loss on goodwill	**10,579**	**–**	**–**	**118,700**	**–**	**129,279**
Write down of properties for sale to net realisable value	**–**	**–**	**26,717**	**–**	**–**	**26,717**
Write down of inventories to net realisable value	**5,193**	**–**	**–**	**856**	**3,148**	**9,197**
Unrealised loss on investments at fair value through profit or loss, net	**–**	**1,800**	**–**	**–**	**–**	**1,800**
Unrealised loss on derivative financial instruments, net	**–**	**74,981**	**–**	**–**	**–**	**74,981**
Decrease in fair value of investment properties	**–**	**–**	**99,637**	**–**	**–**	**99,637**
Fair value loss on derivative component of convertible bonds	**–**	**–**	**–**	**–**	**27,733**	**27,733**

Other information
Year ended 31st March 2008

	Construction and engineering HK$'000	Insurance and investment HK$'000	Property HK$'000	Food and beverages HK$'000	Computer and information communication technology and others HK$'000	Consolidated HK$'000
Capital expenditures	74,847	32	11,084	36,402	1,445	123,810
Depreciation and amortisation	59,535	74	18,502	21,987	5,004	105,102
Impairment loss on property, plant and equipment	–	–	4,059	3,356	–	7,415
Impairment loss on available-for-sale investments	–	835	–	–	–	835
Write back of properties for sale to net realisable value	–	–	(11,831)	–	–	(11,831)
Write down/(write back) of inventories to net realisable value	1,831	–	–	–	(516)	1,315
Unrealised loss on investments at fair value through profit or loss, net	–	71,830	–	–	–	71,830
Unrealised loss on derivative financial instruments, net	–	36,528	–	–	–	36,528
Increase in fair value of investment properties	–	–	(387,263)	–	–	(387,263)
Fair value gain on derivative component of convertible bonds	–	–	–	–	(23,912)	(23,912)
Write back of impairment loss on prepaid lease payments	–	–	(2,637)	–	–	(2,637)

Geographical segments

The Group's operations in construction and engineering are located in Hong Kong, Macau, Singapore, Europe, Australia and Mainland China. Insurance and investment business is conducted in Hong Kong. Property operations are mainly carried out in Hong Kong, Canada, the USA and Mainland China. Food and beverages business is carried out in Hong Kong, Singapore and Mainland China. Computer and information communication technology operations are mainly carried out in Hong Kong, Mainland China and Thailand. Other operations are mainly carried out in Canada and the USA.

	Revenue by geographical market			
	2009		2008	
	HK$'000	*%*	*HK$'000*	*%*
Hong Kong	**2,482,393**	**48**	3,083,921	55
Macau	**1,310,119**	**25**	834,150	15
Singapore	**366,258**	**7**	187,785	3
Canada	**355,771**	**7**	458,778	8
Europe	**206,336**	**4**	403,770	7
Australia	**184,832**	**3**	207,961	4
USA	**116,610**	**2**	160,632	3
Mainland China	**114,629**	**2**	156,515	3
Thailand	**47,322**	**1**	48,032	1
Others	**11,307**	**1**	27,134	1
	5,195,577	**100**	5,568,678	100

The following is an analysis of the carrying amounts of segment assets and capital expenditures analysed by geographical area in which the assets are located:

	Carrying amounts of segment assets		**Capital expenditures**	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**3,871,082**	4,475,002	**205,736**	51,788
Macau	**293,640**	243,885	**575**	2,928
Singapore	**353,424**	339,526	**3,209**	1,424
Canada	**238,337**	311,062	**10,497**	1,292
Europe	**13,682**	545,376	**7,807**	29,206
Australia	**34,320**	262,979	**8,096**	19,974
USA	**104,313**	206,082	**–**	–
Mainland China	**1,319,546**	1,271,948	**14,659**	17,198
Thailand	**50,423**	58,636	**–**	–
Others	**39,501**	45,372	**5,860**	–
	6,318,268	7,759,868	**256,439**	123,810

3 Revenue

	2009	2008
	HK$'000	*HK$'000*
Revenue represents amount received and receivable from:		
Construction and installation contracts	**3,027,886**	3,170,812
Sale of computer, business machines and others	**850,476**	1,043,613
Provision of maintenance and property management	**660,049**	624,952
Food and beverages	**311,106**	299,034
Warehouse operations	**122,288**	117,257
Hotel operations	**57,580**	66,005
Leasing of properties	**55,386**	52,904
Sales of properties	**42,776**	85,082
Insurance premium	**36,570**	40,129
Interest income from investments	**25,555**	53,894
Dividend income from listed securities	**4,259**	11,079
Leasing of equipment	**1,646**	3,917
	5,195,577	5,568,678

4 Other expenses, net

	2009 HK$'000	2008 HK$'000
Loss on investments at fair value through profit or loss, net		
– Realised	**(158,939)**	(15,893)
– Unrealised	**(1,800)**	(71,830)
(Loss)/gain on derivative financial instruments, net		
– Realised	**2,347**	12,196
– Unrealised	**(74,981)**	(36,528)
Interest income on amounts due from associates	**5,340**	165
Interest income on amounts due from jointly controlled entities	**1,418**	1,257
Commission income	**3,351**	9,183
Others	**4,486**	–
	(218,778)	(101,450)

5 Other gains, net

	2009 HK$'000	2008 HK$'000
Gain on disposal of		
– 75% interest in CPT Group *(note 11(a))*	**156,296**	–
– 49% interest in CHK Group *(note 11(b))*	**621,626**	–
Impairment loss on goodwill	**(129,279)**	–
(Decrease)/increase in fair value of investment properties	**(99,637)**	387,263
Exchange (loss)/gain, net	**(36,525)**	9,373
Fair value (loss)/gain on derivative component of convertible bonds	**(27,733)**	23,912
Impairment loss on property, plant and equipment	**(19,139)**	(7,415)
Bad debts (written off)/recovered	**(20,429)**	7,770
Impairment loss on available-for-sale investments	**(10,552)**	(835)
Impairment loss on loans and receivables	**(5,334)**	–
Tax incentive	**4,498**	1,768
Government grant	**1,367**	–
Net loss on disposal of property, plant and equipment and prepaid lease payments	**(6,773)**	(1,438)
Write back of impairment loss on prepaid lease payments	**–**	2,637
Net loss on disposal of investment property	**–**	(653)
	428,386	422,382

6 Finance costs, net

	2009 HK$'000	2008 HK$'000
Interest expenses on bank loans wholly repayable within five years and overdrafts	**60,585**	90,511
Interest expenses on convertible bonds wholly repayable within five years	**38,165**	35,532
Less: Amount capitalised to properties under development	**(11,869)**	–
	86,881	126,043
Less: Interest from bank deposits	**(16,996)**	(16,420)
	69,885	109,623

7 Profit before taxation

	2009	2008
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging the following:		
Depreciation on property, plant and equipment	**68,519**	89,333
Less: Amount capitalised to contract work	**(1,177)**	(177)
	67,342	89,156
Auditors' remuneration	**7,907**	10,236
Staff costs	**818,974**	964,739
Less: Amount capitalised to contract work	**(105,295)**	(93,337)
	713,679	871,402
Operating lease payments in respect of leasing of		
– Premises *(note)*	**106,815**	107,852
– Equipment	**1,442**	22,690
	108,257	130,542
Amortisation of prepaid lease payments	**11,798**	11,783
Amortisation of other intangible assets	**1,597**	3,986
Write down of properties for sale to net realisable value	**26,717**	–
Write down of inventories to net realisable value	**9,197**	1,315
and crediting the following:		
Gross rental income of HK$55,386,000 (2008: HK$52,904,000) from properties less direct operating expenses	**43,235**	37,775
Write back of properties for sale to net realisable value	**–**	11,831

Note:

Included in operating lease payments in respect of leasing of premises are contingent rental of HK$6,184,000 (2008: HK$8,623,000).

8 Income tax (credit)/expenses

	2009	2008
	HK$'000	*HK$'000*
Current tax		
Hong Kong	**18,542**	32,686
Overseas	**9,566**	20,479
Under/(over)-provision in prior years	**107**	(13,036)
	28,215	40,129
Deferred tax		
Origination and reversal of temporary differences	**(26,053)**	72,682
Impact of change in profits tax rate	**(6,306)**	–
	(4,144)	112,811

Hong Kong profits tax is calculated at the rate of 16.5% (2008: 17.5%) on the estimated assessable profits after offsetting tax losses brought forward of each individual company. Taxation on overseas profit has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

9 Dividends

	2009	2008
	HK$'000	*HK$'000*
Interim dividend of HK$0.055 (2008: HK$0.160) per share paid	**15,266**	44,573
Final dividend of HK$0.200 (2008: HK$0.290) per share proposed	**55,513**	80,789
Special dividend of HK$0.200 per share (2008: Nil) per share proposed	**55,513**	–
	126,292	125,362

A final dividend of HK$0.200 per share and a special dividend of HK$0.200 per share, totaling HK$111,026,000, have been proposed by the Directors of the Company and are subject to approval by the shareholders in the forthcoming Annual General Meeting. The amount will be reflected as an appropriation of retained profits for the year ending 31st March 2010.

10 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2009	2008
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company	**135,634**	230,747
	Number of shares	Number of shares
	'000	*'000*
Weighted average number of ordinary shares in issue	**278,073**	278,582
Basic earnings per share *(HK$)*	**0.49**	0.83

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are derived from the convertible bonds. The convertible bonds are assumed to have been converted into ordinary shares, and the profit attributable to equity holders of the Company is adjusted to eliminate the interest expense less the tax effect and for any other changes in income and expenses from the conversion.

For the year ended 31st March 2009, the convertible bonds outstanding had an anti-dilutive effect on the basic earnings per share and the diluted earnings per share equaled the basic earnings per share.

The diluted earnings per share for the year ended 31st March 2008 is calculated as below:

	2008
	HK$'000
Profit attributable to equity holders of the Company	230,747
Interest on convertible bonds	35,532
Fair value gain on derivative component of convertible bonds	(23,912)
Adjusted profit for diluted earnings per share	242,367
	Number of shares
	'000
Weighted average number of ordinary shares in issue	278,582
Adjustments for convertible bonds	37,873
Weighted average number of ordinary shares for diluted earnings per share	316,455
Diluted earnings per share *(HK$)*	0.77

11 Disposal of interests in subsidiaries

(a) *Disposal of the Group's 75% interest in CPT Group*

Pursuant to a sale and purchase agreement dated 16th May 2008, the Group disposed of its 75% interest in CPT Chevalier Pipe Technologies GmbH and its subsidiaries ("CPT Group") to an independent third party. The disposal was completed on 25th July 2008 and the gain on disposal amounted to HK$156,296,000.

(b) *Disposal of the Group's 49% interest in CHK Group*

Pursuant to a sale and purchase agreement dated 28th November 2008, the Group disposed of its 49% interest in Chevalier (HK) Limited, its subsidiaries and associates engaged in elevator business ("CHK Group") for a consideration of HK$668,360,000 (subject to adjustment) on 31st March 2009. Pursuant to the same agreement, the Group has committed to further dispose of 2% interest in the CHK Group on or before 31st March 2010 for a consideration of HK$27,280,000 (subject to adjustment). Upon further disposal of the 2% interest, assets and liabilities of CHK Group will be de-consolidated and the 49% interest in CHK Group will be accounted for as an associate of the Group. For the year ended 31st March 2009, gain on disposal of 49% interest in the CHK Group amounted to HK$621,626,000.

As at 31st March 2009, the assets and liabilities related to CHK Group had been presented as held for sale.

12 Debtors, deposits and prepayments

	2009	2008
	HK$'000	*HK$'000*
Trade debtors	**512,124**	701,562
Less: Provision for impairment	**(23,937)**	(26,897)
	488,187	674,665
Other debtors, deposits and prepayments	**435,650**	584,286
Consideration receivables for disposal of interests in subsidiaries	**191,947**	–
Retention receivables	**229,853**	191,075
	1,345,637	1,450,026
Reclassified as held for sale	**(148,722)**	–
	1,196,915	1,450,026

The Group has established different credit policies for customers in each of its core businesses. The average credit period granted to trade debtors was 60 days.

The ageing analysis of trade debtors at the balance sheet date is as follows:

	2009	2008
	HK$'000	*HK$'000*
0 – 60 days	**401,268**	520,322
61 – 90 days	**21,313**	52,799
Over 90 days	**65,606**	101,544
	488,187	674,665

13 Creditors, bills payable, deposits and accruals

	2009	2008
	HK$'000	*HK$'000*
Trade creditors and bills payable	**233,213**	449,571
Accrued contract costs	**130,556**	274,428
Retention payables	**131,743**	128,414
Other creditors, deposit and accruals	**415,186**	447,800
Consideration payables for		
– Step-up acquisition of interest in an associate	**95,047**	21,479
– Acquisition of interest in an associate	**86,000**	–
	1,091,745	1,321,692
Reclassified as held for sale	**(103,741)**	–
	988,004	1,321,692

The ageing analysis of trade creditors and bills payable at the balance sheet date is as follows:

	2009	2008
	HK$'000	*HK$'000*
0 – 60 days	**189,881**	360,652
61 – 90 days	**4,450**	26,030
Over 90 days	**38,882**	62,889
	233,213	449,571

14 Contingent liabilities

At 31st March 2009, the Group had contingent liabilities in respect of guarantees issued for utilised borrowings in relation to:

	2009	2008
	HK$'000	*HK$'000*
Banking facilities granted to jointly controlled entities	**435,050**	321,900
Banking facilities granted to associates	**194,443**	46,650
	629,493	368,550

15 Commitment

	2009	2008
	HK$'000	*HK$'000*
Contracted but not provided for in the financial statements in respect of		
– acquisition of plant and equipment	**613**	2,495
– a property development project	**32,419**	41,192
– acquisition of an associate	**35,000**	–
– acquisition of remaining interest in an associate *(note)*	**–**	136,171
	68,032	179,858
Authorised but not contracted for in respect of		
– acquisition of plant and equipment	**–**	16,729
– a property development project	**2,344,260**	1,279,025
	2,412,292	1,475,612

The Group's share of the commitment of its jointly controlled entities is as follows:

	2009	2008
	HK$'000	*HK$'000*
Contracted but not provided for	**67,402**	216,724
Authorised but not contracted for	**603,386**	306,903
	670,788	523,627

Note:

At 31st March 2008, the Group has committed to acquire the remaining 51% issued share capital of an associate, Sinochina Enterprises Limited ("SEL") from Sinochina Pacific Limited, an independent third party. Subsequent to the acquisition completed on 31st March 2009, SEL became a wholly-owned subsidiary of the Group.

16 Post balance sheet event

On 26th June 2009, all holders of the convertible bonds have confirmed to exercise the put option to require the Company to redeem all issued convertible bonds on 28th July 2009, the put option date, at 113.1% of their principal amount.

DIVIDEND

The Board of Directors recommends the payment of a final dividend of HK$0.20 (2008: HK$0.29) and a special dividend of HK$0.20 (2008: Nil) per share payable to shareholders whose names appear on the Register of Members of the Company on Wednesday, 23rd September 2009. Together with the interim dividend of HK$0.055 (2008: HK$0.16) per share paid on 12th January 2009, the total dividends for the year amounted to HK$0.455 (2008: HK$0.45) per share, 1.1% more than last year and representing a dividend payout of 93% (2008: 54%). Subject to the approval of shareholders at the forthcoming Annual General Meeting to be held on Wednesday, 23rd September 2009, the final and special dividends warrants will be distributed and paid on or about Thursday, 8th October 2009. The special dividend was made as the Group recognised substantial profit of disposal on interests in subsidiaries during the year.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 21st September 2009 to Wednesday, 23rd September 2009, both days inclusive, during which period no transfer of shares will be effected. To qualify for the proposed final and special dividends, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Friday, 18th September 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group experienced a high level of material cost inflation in the 1st half of 2008/09, and in the 2nd half the sub-prime crisis in the US triggered the global economic meltdown. Those unprecedented events in the world economy and financial markets negatively affected the performance of most of the Group's businesses during the year under review, although this was offset substantially by the exceptional gains from the disposals of 75% interest in our pipe rehabilitation business and 49% interest in our lifts and escalators business. Revenue decreased 6.7% from HK$5,569 million to HK$5,196 million and profit attributable to equity holders of the Company declined 41.1% from HK$231 million to HK$136 million this year.

The Group operates the following core business segments: construction and engineering, insurance and investment, property, food & beverages, computer and information communication technology and others.

Construction and Engineering

During the year under review, the Group experienced escalating building material prices and manpower costs, just before the economic downturn, in the construction and engineering divisions. The segment also found itself under pressure due to deterioration in the already-weakened residential and commercial sectors in both Hong Kong and Macau.

Revenue for this segment saw a mild drop of 3.8% from HK$3,845 million to HK$3,697 million. Project losses and provisions from the building construction and pipe rehabilitation divisions, together with impairment in goodwill, resulted in a loss for this segment. After taking into account the disposal gains from pipe rehabilitation and lifts and escalators businesses, as well as share of minority interests, results of associates and jointly controlled entities, the segment achieved a profit attributable to equity holders of the Company in the sum of HK$573 million. As the global economic slowdown is expected to lead to a lower level of construction and engineering activities in regions where the Group operates, such as Macau, keen competition is envisaged—especially in the tendering process—with fewer jobs available in the market. The total value of the major contracts on hand for this segment declined to HK$2,264 million. Nevertheless, the rollout of the 10 infrastructure projects and the upcoming construction-related works by the HKSAR Government as announced in its 2007-08 Policy Address should provide sound impetus and opportunities for the Group in the coming few years.

Building construction

As stated in previous reports, the division suffered most from significant price fluctuations in construction materials such as steel, aluminium, wood and concrete. Some of the fluctuations were unprecedentedly large and rapid, causing a substantial cost overrun for “The Praia” project in Macau as compared to the initial tender. While a full provision for losses had been made for such overrun, the division continued to negotiate with the developer to work out an amicable solution to compensate for the additional costs. Construction of this project will be completed and the units will be handed to the developer by the middle of 2009.

Elsewhere, progress for the following major projects in the building construction division is satisfactory. Major projects located in Hong Kong include (a) the Hong Kong Community College Development at The Hong Kong Polytechnic University, (b) the redevelopment of the Shatin Pass Estate and (c) the construction of primary school in Area 13, Yuen Long, New Territories.

Lifts and escalators

The lifts and escalators division underwent a significant strategic shift during the year under review. Disposal of the 49% interest in our lifts and escalators business in Hong Kong, Singapore, the PRC and Macau to Toshiba Elevator and Building Systems Corporation (“TELC”) was completed on 31st March 2009. The Group also invested in 20% of each of TELC’s lifts and escalators plants in Shanghai and Shenyang, respectively. Since 1970, the Group has had a long-established history in sales, installation, repairs and maintenance for Toshiba lifts and escalators. Through such a strategic alliance with TELC, the Group is able to improve its value chain by offering more cost-competitive products during project bidding and hence increase the size of its maintenance portfolio. The enhanced market share and improved long-term profitability from maintenance revenue should benefit both partners with better returns. Moreover, the Group’s strategic stake in the two manufacturing plants could facilitate its development of a distribution network in the high-growth market of mainland China, allowing the Group to capture the growing demand for high-quality lifts and escalators in this buoyant property market.

The division continued to maintain a stable profit contribution during the year. In Hong Kong, several lift accidents in public estates drew public attention to safety issues and demand for higher-quality maintenance services, which should create the opportunity for more reasonable premiums on maintenance fees. Major projects on hand in Hong Kong include the supply and installation of lifts and escalators at Yoho Town in Yuen Long, Tai Wai Maintenance Centre Phase 2 and Kai Yip Estate in Kowloon Bay. In Singapore, progress remained smooth for our major project upgrading over 1,200 lifts and escalators for the Singapore Housing Development Board.

Electrical and mechanical (“E&M”)

Most of the projects in Macau undertaken by the E&M division were substantially completed on time and handed over to the developers to their satisfaction. However, the global recession caused a slowdown in the previously booming industries of real estates, casinos and hotels in Macau. Accordingly, business for E&M in Macau is likely to decrease, and the division will therefore shift its focus back to Hong Kong to maintain its contribution.

Projects practically completed during the year included HVAC works for the City of Dreams. A major project on hand in Macau is HVAC installation for the Diamond Suites of Wynn Resorts.

Environmental engineering

Environment awareness and ecology protection has become a hot topic and worldwide trend over the past decade. The environmental industry is also one of the 6 knowledge-based industries that the HKSAR Government has pledged its full support to for ongoing development. In response to our government’s efforts in making Hong Kong greener, the environmental engineering division will actively seek opportunities in the fields of water treatment, sewage treatment, air treatment and solid waste treatment and disposal in Hong Kong and Southeast Asia.

During the year under review, the CLP Relocation project was substantially completed, while progress for the supply and installation of E&M equipment for Tai Po Sewage Treatment Works Stage V is on schedule. The division also made notable improvement in curtailing its losses as compared to last year after carrying out internal restructuring and strengthening ongoing project monitoring.

Aluminium windows and curtain walls

The aluminium windows and curtain walls division recorded another year of sound performance with enhanced profit contribution. Equipped with a strong, well-trained engineering team and a cost-efficient processing facility in Dongguan that can provide high-quality, competitive design, renovation, engineering, management and installation services for curtain walls, the division is well positioned as one of the few major players in Hong Kong. The division also further expanded in recent years into several overseas markets including Australia, Japan and Macau. Major projects on hand comprise designing, supplying and installing curtain walls for (a) I-Square, a 32-storey entertainment complex at the former site of the Hyatt Regency Hotel, (b) St Paul Hospital in Causeway Bay, (c) Lot 2242, DD95, Kwu Tung, Sheung Shui, New Territories and (d) the Latitude, San Po Kong.

Pipe technologies

During the year under review, the pipe technologies business also underwent a substantial corporate shift. The Group disposed of 75% interest in its pipe rehabilitation and construction arm in Europe and Australia to Sekisui Chemical Co., Ltd., realising sales proceeds of US$37.5 million and a disposal gain of about HK$156 million. The business' construction company recorded substantial losses in Germany and extensive revamp of the management team and streamlined branches have been carried out to rectify the situation. With the sound track record of its new partner, the Group is confident that the new management shall help the associate in which the Group has 25% interest to restore profitability very soon.

Going forward, the Group will continue focusing on its Hong Kong pipe rehabilitation business and the advanced Australian "Plastream" pipe technology. In Hong Kong, the Group continued to suffer losses from prior projects run by previous teams. Comprehensive restructuring on personnel and systems has been carried out, and in view of the potential of upcoming business from the water mains improvement schemes, the Group remains optimistic about the prospects of this division in Hong Kong. Also, Plastream pipe technology has been well received in the US, and the Group is aiming to further license it in other countries in Europe, Asia and the Middle East.

Insurance and Investment

Revenue from this segment decreased from HK$105 million to HK$66.4 million as compared to last year. Segment loss increased from HK$71.1 million to HK$236 million as the Group incurred substantial losses by realising its securities investment during the unprecedented global financial crisis and recognising unrealised loss from derivative financial instruments of HK$75 million through its hedging activities. It is always the Group's policy to adopt prudent and conservative investment strategy in managing its investment portfolio for enhanced returns at calculated risks. The exceptional volatility of the financial markets we witnessed in the second half of the last fiscal year called for an even more cautious approach for the Group's securities investment. Internal investment procedures were further scrutinised, and the Group has already substantially reduced its investment portfolio size (excluding derivative financial instruments) from HK$1,187 million to HK$436 million. This year-end balance mainly consists of private equity funds and investment-graded debt securities.

Because of fierce competition, the insurance underwriting business continued to suffer from the low premium rate offered for employee compensation insurance for construction over the past few years. The division has already made itself available for other insurance products, such as property insurance, to generate new sources of income. Moreover, with the erosion of extraordinary investment gains from the equity market, it is anticipated that the insurance premium rate shall return to healthier levels, enabling the division to be in a more competitive position when capturing underwriting business in the near future.

Property

During the year under review, this segment reported revenue of HK$321 million, and segment profit was significantly down from HK$501 million to a loss of HK$21.5 million. The reduction in profit was mainly attributable to the change in revaluation of investment properties from a gain of HK$387 million last year to a loss of HK$99.6 million this year.

Currently, the Group owns a number of investment properties with a total gross floor area of over 824,000 sq. ft. in Hong Kong, China, Singapore, Canada and other geographies, which are subject to fluctuations in fair value change year by year. Other than such non-cash revaluation change in fair value, the segment obtained stable profit contribution from cold storage and logistics, property management and investment property rental, which totaled HK$78.1 million as part of the segment results.

Most of the property development projects in the PRC are primarily at initial development phases and have not provided profit contribution for this financial year. Their share of loss as jointly controlled entities totaling HK$12.0 million was reflected under this segment.

Property development

In view of the relatively small impact of the global financial crisis on the economic growth of the PRC and the Group's confidence in the long-term prospects of the mainland China's buoyant property market, the Group continued to place substantial emphasis and make sound progress on its property development projects in various cities in the PRC during the year. Additional investments were made by increasing capital for some of its property development companies in mainland China.

The Group formalised its 51% shareholding in the jointly controlled entity in Hefei through a capital injection of RMB133 million. The overall design and layout of this project, Huaqiao Plaza—a residential and commercial complex with shopping mall, serviced apartments, office and residential buildings—was completed, and the project is now under construction after the Group recently appointed the main contractor. Furthermore, the Group also doubled the registered capital of its 96% indirectly owned subsidiary of the Company in Changchun from RMB200 million to RMB400 million with a view to managing the project's capital requirements. The scale of the project undertaken is comparatively large, with land area of approximately 485,000 square metres ("sq. m.") and an estimated gross floor area of about 773,600 sq. m. As of 31st March 2009, RMB80 million of the increased capital had already been injected by the Group while the remaining amount has also been fully paid as of the date of this announcement. The demolition of existing structures has been substantially completed, with less than 5% of the number of residential units and 10 commercial units still currently under negotiation for moving.

Regarding sales of developed properties, the first batch of 75 units for Phase II of "My Villa" in Beijing was launched for pre-sale in October 2008. Due to the global economic crisis, initial pre-sale performance was sluggish, but it has been improving over the past several months as the global economy has stabilised. As of the date of this announcement, nearly 80% of the number of units offered in the first batch have been contracted for sale, with several units reaching a selling price of over RMB10,000 per sq. m. To capture the recent upswing of the property market, the Group is planning to launch the second batch of "My Villa" Phase II in the coming months. In Chengdu, construction works on Chevalier Tower were completed during the year under review. The project company, a 49% jointly controlled entity of the Group, began the handover of all residential units to buyers in December 2008. New homeowners have been providing positive comments on the quality of apartments, which helps build the Chevalier brand in Chengdu and shall be beneficial to the Group's other developments projects there. Further, the entire commercial portion of Chevalier Tower was sold to a domestic bank in March 2009 and handed over in April 2009. All bank indebtedness of the project company has thus been settled as of April 2009. Structural work on the tower building at the Shenzhen property development project, offering residential area of approximately 100,000 sq. m., has been completed. Pending the completion of certain formalities, it is ready for pre-sale and will launch to market when the timing is considered appropriate.

As of 31st March 2009, the total land bank attributable to the Group amounted to a gross floor area of 1,129,000 sq. m. Given the bullish prospects of the PRC economy, we will continue to look for well-priced opportunities in acquiring premium property development projects or land banks in mainland China.

Hotel management

Chengdu is well known for its natural beauty attractions and has attained fast economic growth in recent years. To capture the business potential offered by the increasing number of travellers, the Group acquired in January 2009 a 49% beneficial interest in a hotel in Chengdu, renamed as Jinjiang Generation International Hotel (the "Chengdu Hotel"), for a consideration of approximately RMB69.5 million (subject to adjustment). The tower section of a new building, planned to be an extension of the Chengdu Hotel, is currently under construction by the Group's 49% jointly controlled entity for property development as mentioned above. By being able to share the commercial podium and ancillary facilities of the existing Chengdu Hotel, the Group expects it will benefit from a synergistic effect and save a significant amount of development and ongoing operating costs as well as efficiently utilise existing staff and resources. Leveraging the Group's hotel operating experience in Jiujiang, Xinyang, Dongguan and Vancouver, Canada, the Group is confident that it can build the Chengdu Hotel into another profit contributor.

Cold storage and logistics

Amid the economic downturn, the cold storage and logistics business continued to perform well, consistently maintaining an overall occupancy rate of over 90%. As this business has proved resilient to economic fluctuations, it is expected that it will be able to carry on as a steady contributor in this segment.

Property management

The property management division also provided a stable profit contribution to the segment. Managing a total floor area of over 3 million sq. m. in Hong Kong and mainland China, the division's property management teams provide comprehensive management services for commercial and industrial buildings, residential apartments, shopping arcades, car parks and other building amenities. With such a solid foundation and our growing number of property development and hotel projects in the PRC, the division aims to expand its service offerings in mainland China after establishing a foothold there.

Food & Beverages

Revenue of the food and beverages ("F&B") segment generated HK$311 million this year—up 4.0% from last year. In view of the severely deteriorated market conditions and lack of evidence of strong improvement in fundamental economic factors, the management has reviewed the carrying values of the intangible and tangible operating assets of Pacific Coffee and Igor's Group and has prudently made an impairment of HK$119 million in goodwill (2008: Nil) and an impairment of HK$15.5 million in property, plant and equipment (2008: HK$3.4 million). Such significant impairments were non-cash in nature and did not affect the operating cash flow of the Group. After sharing the results of the Igor's Group and minority interests, segment loss attributable to equity holders of the Company of the year was HK$76.2 million (2008: profit of HK$9.2 million).

Pacific Coffee operates 81 coffeehouses as of 31st March 2009 (2008: 77), of which 70 are in Hong Kong (2008: 63), 6 are in Singapore (2008: 7) and 5 are in mainland China (2008: 7). These stores are all managed and operated by the Group's internal teams, located in core commercial districts, prime shopping and residential areas as well as tourist and transport spots in the respective cities.

Igor's Group operates 30 outlets as of 31st March 2009 (2008: 29), all of which are located in Hong Kong. There are 10 restaurants, 12 restaurant-bars, and 8 'Wildfire' chain stores (2008: 11, 10 and 8 respectively), mainly located in Central, Wanchai, Stanley, Discovery Bay and certain prime shopping malls. It also engages in the food trading business under the brand name "Blu Trading" and operates a central kitchen called "Blu Catering".

While continuing to look for sound internal growth and merger and acquisition opportunities for the F&B business, the Group will adopt a more cautious approach in expansion in the coming year. To capitalise on the potential of its reputation and brand awareness, Pacific Coffee is carefully developing an international franchise business. An experienced and resourceful local franchisee will enable Pacific Coffee to open new stores in overseas markets in a less management-and capital-intensive way, while at the same time providing a constant and stable revenue stream with less risk. Tapping the growth in living standards in the Pearl River Delta, which has led to higher demand for quality coffee, the Group entered into an agreement with a franchisee in October 2008, granting it exclusive territorial rights to set up and operate coffee stores, kiosks and vending machines under the "Pacific Coffee" name in Macau, Zhuhai and Guangzhou. Pacific Coffee will continue to select suitable partners to explore high-growth markets in Asia Pacific region.

After completion of the acquisition of the remaining 51% interest in Igor's Group, management teams of both Igor's Group and Pacific Coffee will be able to leverage each other's relationships and experience with corporate and street-level landlords, as well as collaborate more in food development, advertising strategy and spending budget. Centralised procurement and logistics will also be achieved to maximise the synergistic benefits of the combined F&B portfolio.

Computer and Information Communication Technology and Others

Due to the negative impact of the global economic downturn and keen competition in the computer notebook industry, revenue as well as profit for the Computer and Information Communication Technology ("IT") business decreased in both Hong Kong and Thailand. Revenue from notebook computers, which accounted for 60% of the IT business, dropped as customers' preference shifted toward lower-price netbook computers and as cost control concerns from both individuals and corporate clients grew following the economic downturn of the 2nd half of 2008. Meanwhile, the contribution from maintenance income for telephone systems in the network solution business remained steady in both Hong Kong and Thailand. With the upcoming release of the new Windows operating system announced in the 1st quarter of 2009 as well as the current economic environment, performance for the IT business, especially notebook computers, is expected to be sluggish in the 2nd quarter of 2009. Nevertheless, this division will continue to focus on providing stylish products and value-added services to customers in Hong Kong and Thailand so as to maintain its profit margin.

After the first few years of initial set-up, our Nissan and Toyota car dealership businesses in Chengdu recorded improvements in both revenue and profit contribution. The new Nissan dealership in Panzhihua, launched in early 2008, had made progress in building up its customer base, but the dealership in Hongqi was terminated. While we are benefiting from high growth for the car dealership business in mainland China, the Canadian market has been negatively affected by Chrysler's corporate restructuring and the impact of the financial tsunami. Management will closely monitor the future development of the business there.

The food trading business, including the distribution of Southeast Asian, Japanese and Korean food products to food distributors in the San Francisco Bay and Greater Los Angeles areas, remained stable, with both markets reporting increases in revenue and profit contribution.

FINANCIAL REVIEW

As at 31st March 2009, the Group's net assets attributable to equity holders of the Company amounted to HK$3,225 million (2008: HK$3,322 million), a decrease of HK$97 million or 2.9% when compared with 2008. At the balance sheet date, the Group's bank and other borrowings (including liability component of convertible bonds) amounted to HK$2,205 million (2008: HK$2,618 million). Cash and deposit at bank including fixed and structured deposits amounted to HK$1,777 million (2008: HK$1,318 million).

EMPLOYEES AND REMUNERATION POLICIES

The Group employed approximately 4,700 full-time staff globally as at 31st March 2009. Total staff costs amounted to approximately HK$819 million for the year ended 31st March 2009. The remuneration policies 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, retirement schemes and employees' share option scheme.

AUDIT COMMITTEE

The Audit Committee has reviewed the audited financial results of the Group for the year ended 31st March 2009.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company repurchased its shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as follows:

Month/Year	Number of shares of HK$1.25 each repurchased	Price per share Highest	Price per share Lowest	Aggregate consideration
		HK$	*HK$*	*HK$*
October 2008	1,018,000	4.81	4.39	4,721,880

The repurchased shares were cancelled, and accordingly, the issued share capital of the Company was reduced by the nominal value of these shares.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange throughout the year ended 31st March 2009, with deviations from code provision A.4.1 which has already been stated in the Company's interim report for the period ended 30th September 2008.

PUBLICATION OF ANNUAL RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The annual results announcement of the Company for the year ended 31st March 2009 is published on the Stock Exchange's website at http://www.hkexnews.hk and the Company's website at http://www.chevalier.com. The annual report of the Company for the year ended 31st March 2009 containing all applicable information required by the Listing Rules will be despatched to the shareholders and published on the above websites in due course.

APPRECIATION

On behalf of the Board, I also thank the management and staff for their hard work and professionalism during the past year, which will help us not only weather the difficulties that confront us today, but also create a stronger and even more energised Company in the years to come.

By Order of the Board
CHOW Yei Ching
Chairman

Hong Kong, 15th July 2009

As at the date of this announcement, the Board of the Company comprises Dr. Chow Yei Ching (Chairman), Messrs. Kuok Hoi Sang (Vice Chairman and Managing Director), Tam Kwok Wing (Deputy Managing Director), Chow Vee Tsung, Oscar, Ho Chung Leung and Ho Sai Hou as executive Directors; Dr. Ko Chan Gock, William as non-executive Director and Dr. Chow Ming Kuen, Joseph, Mr. Sun Kai Dah, George and Mr. Yang Chuen Liang, Charles as independent non-executive Directors.

website: http://www.chevalier.com

* *For identification purpose only*