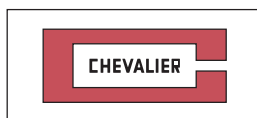


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CHEVALIER INTERNATIONAL HOLDINGS LIMITED

其士國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 25)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2013

RESULTS

The Directors of Chevalier International Holdings Limited (the “Company”) are pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the “Group”) for the year ended 31 March 2013, together with the comparative figures summarised as follows:

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 HK\$'000	2012 HK\$'000
Revenue	4	4,189,258	3,849,780
Cost of sales		<u>(3,087,616)</u>	<u>(2,912,902)</u>
Gross profit		1,101,642	936,878
Other income, net	5	147,196	53,235
Other gains, net	6	617,039	389,830
Selling and distribution costs		(507,319)	(482,957)
Administrative expenses		<u>(196,340)</u>	<u>(179,471)</u>
Operating profit		1,162,218	717,515
Share of results of associates		96,583	94,478
Share of results of jointly controlled entities		(18,611)	(62,033)
Gain on disposal of an associate		–	44,333
		<u>1,240,190</u>	<u>794,293</u>
Finance income	7	14,606	8,528
Finance costs	7	(74,403)	(31,705)
Finance costs, net	7	<u>(59,797)</u>	<u>(23,177)</u>
Profit before taxation	8	1,180,393	771,116
Income tax expenses	9	(97,107)	(67,267)
Profit for the year		<u>1,083,286</u>	<u>703,849</u>

	Note	2013 HK\$'000	2012 HK\$'000
Attributable to:			
Equity holders of the Company		1,011,923	657,897
Non-controlling interests		71,363	45,952
		<u>1,083,286</u>	<u>703,849</u>
Earnings per share			
– basic (HK\$ per share)	10	<u>3.64</u>	<u>2.37</u>
– diluted (HK\$ per share)	10	<u>3.64</u>	<u>2.37</u>
Dividends	11	<u>238,414</u>	<u>263,686</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2013**

	2013	2012
	HK\$'000	HK\$'000
Profit for the year	1,083,286	703,849
Other comprehensive income for the year		
Exchange difference on translation of operations of overseas subsidiaries, associates and jointly controlled entities	18,358	75,701
Fair value surplus of properties upon transfer to investment properties	31,833	–
Impairment loss on available-for-sale investments transferred to consolidated income statement	4,639	765
Gain on disposal of available-for-sale investments transferred to consolidated income statement	(289)	(8,669)
Change in fair value of available-for-sale investments, net	(15,462)	64
Fair value adjustments on the derivative financial instruments designated as cash flow hedge in respect of interest rate swap	41	–
Exchange difference released upon disposal of an associate	–	1,492
Other comprehensive income for the year, net of tax	39,120	69,353
Total comprehensive income for the year	1,122,406	773,202
Attributable to:		
Equity holders of the Company	1,050,029	720,910
Non-controlling interests	72,377	52,292
	1,122,406	773,202

Note: Items shown within other comprehensive income have no tax effect.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013**

	Note	2013 HK\$'000	2012 HK\$'000
Non-current assets			
Investment properties		3,407,266	2,679,689
Property, plant and equipment		1,678,889	1,329,292
Prepaid lease payments		–	345
Goodwill		681,743	129,696
Other intangible assets		28,023	33,643
Interests in associates		973,514	929,028
Interests in jointly controlled entities		1,223,129	675,133
Available-for-sale investments		192,892	230,099
Properties under development		702,569	803,067
Deferred tax assets		26,323	13,472
Other non-current assets		106,137	83,485
		<u>9,020,485</u>	<u>6,906,949</u>
Current assets			
Amounts due from associates		33,830	32,163
Amounts due from jointly controlled entities		378,065	557,286
Available-for-sale investments		–	8,109
Investments at fair value through profit or loss		405,694	292,759
Inventories		203,694	176,279
Properties for sale		57,248	110,512
Properties under development		211,974	–
Debtors, deposits and prepayments	12	942,101	1,322,995
Amounts due from customers for contract work		175,155	103,317
Derivative financial instruments		82,364	43,288
Prepaid tax		5,153	3,235
Bank balances and cash		1,280,016	1,035,209
		<u>3,775,294</u>	<u>3,685,152</u>

	Note	2013 HK\$'000	2012 HK\$'000
Current liabilities			
Amounts due to non-controlling interests		4,644	6,143
Dividend payable to non-controlling interests		2,400	5,529
Amounts due to customers for contract work		582,625	622,607
Derivative financial instruments		30,921	46,869
Creditors, bills payable, deposits and accruals	13	912,430	966,772
Unearned insurance premiums and unexpired risk reserves		111,391	117,678
Outstanding insurance claims		276,931	202,837
Deferred income		23,628	20,846
Current income tax liabilities		55,990	33,467
Bank borrowings		944,285	1,559,426
		<u>2,945,245</u>	<u>3,582,174</u>
Net current assets		<u>830,049</u>	<u>102,978</u>
Total assets less current liabilities		<u><u>9,850,534</u></u>	<u><u>7,009,927</u></u>
Capital and reserves			
Share capital	14	351,734	346,955
Reserves		5,469,085	4,646,770
Shareholders' funds		5,820,819	4,993,725
Non-controlling interests		390,223	323,845
Total equity		<u>6,211,042</u>	<u>5,317,570</u>
Non-current liabilities			
Unearned insurance premiums		75,476	104,628
Bank borrowings		3,378,506	1,420,845
Deferred tax liabilities		185,510	166,884
		<u>3,639,492</u>	<u>1,692,357</u>
Total equity and non-current liabilities		<u><u>9,850,534</u></u>	<u><u>7,009,927</u></u>

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.

2 ACCOUNTING POLICIES

(i) Amendment to existing standard that is effective for the Group’s financial year beginning on 1 April 2012

The following amendment to existing standard, that is relevant to the Group’s operation, is mandatory for financial year of the Group beginning on 1 April 2012:

HKFRS 7 (amendment)	Disclosures – Transfers of financial assets
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The adoption of the amendment to existing standard does not 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 consolidated financial statements.

(ii) Standards, amendments and improvements to existing standards that have been issued but are not yet effective and have not been early adopted by the Group

The following new or revised standards, amendments and improvements to existing standards, that are relevant to the Group’s operation, have been issued but not yet effective for the financial year beginning on 1 April 2012 and have not been early adopted:

HKAS 1 (amendment)	Presentation of items of other comprehensive income
HKAS 19 (2011)	Employee benefits
HKAS 27 (2011)	Separate financial statements
HKAS 28 (2011)	Investments in associates and joint ventures
HKAS 32 (amendment)	Offsetting financial assets and financial liabilities
HKFRS 7 (amendments)	Disclosures – Offsetting financial assets and financial liabilities; Mandatory effective date and transition disclosures
HKFRS 9	Financial instruments
HKFRS 9 (amendment)	Financial instruments – Mandatory effective date and transition disclosures
HKFRS 10	Consolidated financial statements
HKFRS 10 (amendment)	Consolidated financial statements – Transition guidance
HKFRS 11	Joint arrangements
HKFRS 11 (amendment)	Joint arrangements – Transition guidance
HKFRS 12	Disclosure of interests in other entities
HKFRS 12 (amendment)	Disclosure of interests in other entities – Transition guidance
HKFRS 13	Fair value measurements
Annual Improvements Project	Improvements to HKFRS published in June 2012

The Group has already commenced an assessment of the related impact to the Group but is not yet in a position to state whether there will be any substantial changes to the Group’s significant accounting policies and presentation of financial information.

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Directors of the Company, the chief operating decision-maker, that are used to make strategic decisions. The Directors consider the business from a product/service perspective. Principal activities of the segments are as follows:

Construction and engineering: Construction and engineering work for aluminium building materials and curtain walls, building construction, electrical and mechanical, lifts and escalators, pipe rehabilitation and environmental contracts.

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

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

Food and beverage: Restaurant and bar business and branded coffee shop business.

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 grocery trading.

Segment revenue is measured in a manner consistent with that in the consolidated income statement, except that it also includes the Group's share of revenue of associates and jointly controlled entities on a proportionate consolidated basis. The sales from associates and jointly controlled entities to the Group and sales between individual associates and jointly controlled entities are not eliminated.

The Directors assess the performance of the operating segments based on a measure of segment results. This measurement includes the Group's share of results of associates and jointly controlled entities on a proportionate consolidated basis. Unallocated corporate expenses, finance income and costs, income tax expenses and other major items that are isolated and non-recurring in nature are not included in segment results.

Segment assets mainly consist of non-current assets and current assets as disclosed in the consolidated statement of financial position except deferred tax assets, prepaid tax, unallocated bank balances and cash and other unallocated assets.

Segment liabilities mainly consist of current liabilities and non-current liabilities as disclosed in the consolidated statement of financial position except current income tax liabilities, bank borrowings, deferred tax liabilities and other unallocated liabilities.

Revenue and results

	Construction and engineering HK\$'000	Insurance and investment HK\$'000	Property HK\$'000	Food and beverage HK\$'000	Computer and information communication technology and others HK\$'000	Total HK\$'000
For the year ended 31 March 2013						
REVENUE						
Total revenue	1,952,629	220,371	811,273	589,443	678,658	4,252,374
Inter-segment revenue	–	(9,782)	(42,943)	–	(10,391)	(63,116)
Group revenue	1,952,629	210,589	768,330	589,443	668,267	4,189,258
Share of revenue of associates and jointly controlled entities	1,979,322	–	62,454	166,401	753,261	2,961,438
Proportionate revenue from a jointly controlled entity eliminated	(59,894)	–	–	–	–	(59,894)
Segment revenue	3,872,057	210,589	830,784	755,844	1,421,528	7,090,802
RESULTS						
Segment profit/(loss)	301,614	96,037	919,154	(11,190)	(38,658)	1,266,957
Included in segment profit/(loss) are:						
Share of results of associates	110,615	–	43,070	(32,203)	(24,899)	96,583
Share of results of jointly controlled entities	872	–	(19,483)	–	–	(18,611)
Depreciation and amortisation, net of capitalisation	(6,420)	(1,064)	(44,173)	(30,269)	(8,029)	(89,955)
Increase in fair value of investment properties	–	–	670,113	–	–	670,113
Impairment loss on property, plant and equipment	–	–	–	(4,516)	–	(4,516)
Impairment loss on goodwill	–	–	–	(6,805)	–	(6,805)
Impairment loss on available-for-sale investments	–	(4,639)	–	–	–	(4,639)
Impairment loss on amount due from an associate	–	–	–	(2,316)	–	(2,316)
Unrealised gain on investments at fair value through profit or loss	–	41,886	–	–	–	41,886
Write back/(down) of inventories to net realisable value, net	124	–	–	–	(7,835)	(7,711)
Write down of properties for sale to net realisable value, net	–	–	(199)	–	–	(199)
Impairment loss (recognised)/written back on trade debtors	(1,675)	56	(734)	(1,229)	(190)	(3,772)
Impairment loss on retention receivables	(32,606)	–	–	–	–	(32,606)
Unrealised gain on derivative financial instruments	–	15,940	–	39,356	–	55,296

	Construction and engineering HK\$'000	Insurance and investment HK\$'000	Property HK\$'000	Food and beverage HK\$'000	Computer and information communication technology and others HK\$'000	Total HK\$'000
For the year ended 31 March 2012						
REVENUE						
Total revenue	1,692,951	276,430	608,696	571,433	761,720	3,911,230
Inter-segment revenue	–	(10,980)	(47,119)	–	(3,351)	(61,450)
Group revenue	1,692,951	265,450	561,577	571,433	758,369	3,849,780
Share of revenue of associates and jointly controlled entities	1,912,920	–	54,355	119,324	509,115	2,595,714
Proportionate revenue from a jointly controlled entity eliminated	(52,948)	–	–	–	–	(52,948)
Segment revenue	3,552,923	265,450	615,932	690,757	1,267,484	6,392,546
RESULTS						
Segment profit/(loss)	208,860	(4,545)	408,866	24,419	(2,037)	635,563
Included in segment profit/(loss) are:						
Share of results of associates	104,205	–	21,248	(15,545)	(15,430)	94,478
Share of results of jointly controlled entities	489	–	(62,522)	–	–	(62,033)
Depreciation and amortisation, net of capitalisation	(3,672)	(1,019)	(41,602)	(26,626)	(1,786)	(74,705)
Increase in fair value of investment properties	–	–	255,546	–	–	255,546
Impairment loss on property, plant and equipment	–	–	(4,338)	(518)	–	(4,856)
Impairment loss on prepaid lease payments	–	–	(2,876)	–	–	(2,876)
Impairment loss on other intangible assets	(12,177)	–	–	–	–	(12,177)
Impairment loss on available-for-sale investments	–	(765)	–	–	–	(765)
Impairment loss on amount due from an associate	–	–	–	(5,994)	–	(5,994)
Unrealised gain on investments at fair value through profit or loss	–	17,753	–	–	–	17,753
Write back/(down) of inventories to net realisable value, net	3,275	–	–	–	(1,852)	1,423
Write back of properties for sale to net realisable value, net	–	–	2,312	–	–	2,312
Impairment loss written back/(recognised) on trade debtors	8	(42)	2	–	(179)	(211)
Impairment loss on retention receivables	(570)	–	–	–	–	(570)
Unrealised (loss)/gain on derivative financial instruments	–	(3,227)	–	16,074	–	12,847

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

Total segment revenue are reconciled to the Group's revenue in the consolidated income statement as follows:

	2013	2012
	HK\$'000	HK\$'000
Total segment revenue	7,090,802	6,392,546
Add: Proportionate revenue from a jointly controlled entity eliminated	59,894	52,948
Less: Share of revenue of associates and jointly controlled entities		
Construction and installation contracts	1,657,212	1,608,836
Sale of information technology equipment, motor vehicles and others	752,896	508,880
Food and beverage	166,401	119,324
Sales and leasing of properties	24,001	30,851
Provision of maintenance and property management	322,746	304,543
Hotel operations	38,182	23,280
	2,961,438	2,595,714
Total revenue in the consolidated income statement	4,189,258	3,849,780

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

	2013	2012
	HK\$'000	HK\$'000
Segment profit	1,266,957	635,563
Gain on disposal of Chevalier Pacific Holdings Limited ("CPHL")	–	135,426
Gain on disposal of an associate	–	44,333
Unallocated corporate expenses	(26,767)	(21,029)
Finance income	14,606	8,528
Finance costs	(74,403)	(31,705)
Profit before taxation	1,180,393	771,116

Assets and liabilities

	Construction and engineering HK\$'000	Insurance and investment HK\$'000	Property HK\$'000	Food and beverage HK\$'000	Computer and information communication technology and others HK\$'000	Total HK\$'000
As at 31 March 2013						
ASSETS						
Segment assets	<u>1,127,915</u>	<u>1,069,473</u>	<u>8,879,226</u>	<u>369,499</u>	<u>893,354</u>	<u>12,339,467</u>
Included in segment assets are:						
Interests in associates	382,145	–	165,525	6,683	419,161	973,514
Interests in jointly controlled entities	10,941	–	1,212,188	–	–	1,223,129
Amounts due from associates	12,271	–	32	18,748	2,779	33,830
Amounts due from jointly controlled entities	78	–	377,987	–	–	378,065
Additions to non-current assets (note)	<u>10,619</u>	<u>112</u>	<u>1,050,244</u>	<u>49,613</u>	<u>41,727</u>	<u>1,152,315</u>
LIABILITIES						
Segment liabilities	<u>1,070,565</u>	<u>509,319</u>	<u>231,745</u>	<u>99,945</u>	<u>77,228</u>	<u>1,988,802</u>
As at 31 March 2012						
ASSETS						
Segment assets	<u>1,167,501</u>	<u>989,356</u>	<u>6,797,096</u>	<u>394,010</u>	<u>842,185</u>	<u>10,190,148</u>
Included in segment assets are:						
Interests in associates	342,833	–	125,643	40,665	419,887	929,028
Interests in jointly controlled entities	12,894	–	662,239	–	–	675,133
Amounts due from associates	12,742	–	–	19,421	–	32,163
Amounts due from jointly controlled entities	79	–	557,207	–	–	557,286
Additions to non-current assets (note)	<u>15,631</u>	<u>485</u>	<u>1,263,117</u>	<u>43,388</u>	<u>761</u>	<u>1,323,382</u>
LIABILITIES						
Segment liabilities	<u>1,223,957</u>	<u>499,956</u>	<u>209,967</u>	<u>77,238</u>	<u>75,859</u>	<u>2,086,977</u>

Note: In this analysis, the non-current assets exclude financial instruments (including interests in associates and jointly controlled entities) and deferred tax assets.

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

	2013 HK\$'000	2012 HK\$'000
Segment assets	12,339,467	10,190,148
Unallocated bank balances and cash	422,207	382,617
Deferred tax assets	26,323	13,472
Other unallocated assets	7,782	5,864
	<u>12,795,779</u>	<u>10,592,101</u>
	2013 HK\$'000	2012 HK\$'000
Segment liabilities	1,988,802	2,086,977
Bank borrowings	4,322,791	2,980,271
Deferred tax liabilities	185,510	166,884
Other unallocated liabilities	87,634	40,399
	<u>6,584,737</u>	<u>5,274,531</u>

Geographical information

The Group's operations in construction and engineering are mainly located in Hong Kong, Macau and Australia. Insurance and investment business is conducted in Hong Kong. Property operations are mainly carried out in Hong Kong, Mainland China, the United States of America ("US"), Canada and Singapore. Food and beverage business is carried out in Hong Kong, Mainland China, Macau and Australia. Computer and information communication technology operations are mainly carried out in Hong Kong and Thailand. Other operations are carried out in US and Canada.

The associates' and jointly controlled entities' operations in construction and engineering are mainly located in Hong Kong, Mainland China, US, Singapore, Australia and Europe. Property operations are mainly carried out in Hong Kong and Mainland China. Food and beverage business is carried out in Hong Kong, Mainland China and Singapore. Other operations are carried out in Mainland China and Australia.

	Segment revenue by geographical market							
	Company and subsidiaries HK\$'000	Associates and jointly controlled entities HK\$'000	2013 Total HK\$'000	%	Company and subsidiaries HK\$'000	Associates and jointly controlled entities HK\$'000	2012 Total HK\$'000	%
Hong Kong	2,864,052	520,414 ¹	3,384,466	48	2,658,458	483,666 ¹	3,142,124	49
Mainland China	52,777	2,124,392	2,177,169	31	44,725	1,572,918	1,617,643	25
US	366,194	-	366,194	5	246,987	3,923	250,910	4
Canada	352,384	-	352,384	5	383,420	-	383,420	6
Macau	284,853	11,590	296,443	4	321,143	-	321,143	5
Singapore	12,576	244,610	257,186	4	11,621	284,716	296,337	4
Australia	179,967	-	179,967	2	131,781	38,944	170,725	3
Thailand	62,443	-	62,443	1	39,127	-	39,127	1
Europe	-	-	-	-	-	141,666	141,666	2
Others	14,012	538	14,550	-	12,518	16,933	29,451	1
	<u>4,189,258</u>	<u>2,901,544</u>	<u>7,090,802</u>	<u>100</u>	<u>3,849,780</u>	<u>2,542,766</u>	<u>6,392,546</u>	<u>100</u>

¹ The proportionate revenue from a jointly controlled entity is eliminated.

The Group maintains healthy and balanced portfolio of customer basis. No customer accounted for 10% or more of the total revenue of the Group for the year ended 31 March 2013 (2012: nil).

The following is an analysis of the carrying amounts of non-current assets other than financial instruments (including interests in associates and jointly controlled entities) and deferred tax assets analysed by geographical area:

	Non-current assets	
	2013	2012
	HK\$'000	HK\$'000
Hong Kong	3,454,045	2,616,533
Mainland China	1,438,678	1,500,776
US	869,407	286,183
Singapore	507,617	325,694
Canada	184,035	185,321
Macau	27,697	33,015
Australia	13,201	23,827
Others	19,640	22,157
	<u>6,514,320</u>	<u>4,993,506</u>

4 REVENUE

	2013	2012
	HK\$'000	HK\$'000
Revenue represents amounts received and receivable from:		
Construction and installation contracts	1,755,751	1,563,586
Sale of information technology equipment, motor vehicles and others	803,188	821,796
Food and beverage	589,443	571,433
Senior housing operations	247,556	128,005
Sales and leasing of properties	224,650	163,412
Warehouse and logistics operations	172,513	170,848
Insurance premium	156,916	231,747
Provision of maintenance and property management	140,366	119,477
Dividend income from listed securities	44,931	22,147
Hotel operations	40,286	44,372
Interest income from investments	8,743	11,557
Leasing of vehicles and equipment	4,915	1,400
	<u>4,189,258</u>	<u>3,849,780</u>
Total revenue	<u>4,189,258</u>	<u>3,849,780</u>

5 OTHER INCOME, NET

	2013 HK\$'000	2012 HK\$'000
Gain/(loss) on investments at fair value through profit or loss		
– held-for-trading	39,437	(11,460)
– designated upon initial recognition	3,066	(1,559)
Gain/(loss) on derivative financial instruments	35,587	(1,505)
Commission income	5,325	3,983
Interest income from associates	–	5,691
Management fee income from associates and jointly controlled entities	30,304	27,271
Sales and marketing services income from an associate	22,224	23,524
Others	11,253	7,290
	<u>147,196</u>	<u>53,235</u>

6 OTHER GAINS, NET

	2013 HK\$'000	2012 HK\$'000
(Loss)/gain on disposal of		
– CPHL	–	135,426
– other subsidiaries	(6,169)	–
Increase in fair value of investment properties	670,113	255,546
Loss on disposal of investment properties	(300)	–
Gain on disposal of property, plant and equipment and prepaid lease payments	157	19,871
Gain on disposal of available-for-sale investments	289	8,669
Impairment loss on property, plant and equipment	(4,516)	(4,856)
Impairment loss on prepaid lease payments	–	(2,876)
Impairment loss on goodwill	(6,805)	–
Impairment loss on other intangible assets	–	(12,177)
Impairment loss on available-for-sale investments	(4,639)	(765)
Impairment loss on amount due from an associate	(2,316)	(5,994)
Impairment loss on trade debtors	(3,772)	(211)
Impairment loss on retention receivables	(32,606)	(570)
Exchange gain/(loss)	7,603	(2,233)
	<u>617,039</u>	<u>389,830</u>

7 FINANCE COSTS, NET

	2013 HK\$'000	2012 HK\$'000
Interest expenses on bank overdrafts and borrowings wholly repayable within five years	93,845	46,429
Less: Amounts capitalised to properties under development (note)	(19,442)	(14,724)
	<u>74,403</u>	<u>31,705</u>
Less: Interest from bank deposits	(14,606)	(8,528)
	<u>59,797</u>	<u>23,177</u>

Note: The capitalisation rate applied to funds borrowed and used for the development of properties was between 5.9% and 7.8% per annum during the year ended 31 March 2013 (2012: 6.4% and 7.8%).

8 PROFIT BEFORE TAXATION

	2013 HK\$'000	2012 HK\$'000
Profit before taxation has been arrived at after charging the following:		
Depreciation of property, plant and equipment	86,204	70,146
Less: Amount capitalised to contract work	(1,772)	(1,721)
	84,432	68,425
Staff costs	854,044	735,549
Less: Amount capitalised to contract work	(116,275)	(98,909)
	737,769	636,640
Operating lease payments in respect of leasing of		
– Premises		
– under minimum lease payments	90,530	81,800
– under contingent rent	1,836	1,908
– Equipment	1,234	291
	93,600	83,999
Auditors' remuneration	10,155	8,805
Amortisation of prepaid lease payments	26	351
Amortisation of other intangible assets	5,497	5,929
Write down of inventories to net realisable value, net	7,711	–
Write down of properties for sale to net realisable value, net	199	–
Share options granted by a former listed subsidiary – consultancy services received	–	5,558
Acquisition-related expenses	35,153	10,036
and crediting the following:		
Gross rental income of HK\$132,037,000 (2012: HK\$121,358,000)		
from properties less direct operating expenses	103,370	94,925
Write back of inventories to net realisable value, net	–	1,423
Write back of properties for sale to net realisable value, net	–	2,312
	103,370	98,660

9 INCOME TAX EXPENSES

	2013 HK\$'000	2012 HK\$'000
Current tax		
– Hong Kong	61,565	45,965
– Overseas	23,600	13,246
Under/(over)-provision in prior years	7,098	(192)
	92,263	59,019
Deferred tax		
– Origination and reversal of temporary differences	4,844	8,248
	97,107	67,267

Hong Kong profits tax is calculated at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits. 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.

10 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company of HK\$1,011,923,000 (2012: HK\$657,897,000) by the weighted average number of 278,140,000 (2012: 277,564,000) ordinary shares in issue during the year ended 31 March 2013.

(b) Diluted

As at 31 March 2013, the Group did not have any dilutive equity instruments (2012: nil).

11 DIVIDENDS

	2013 HK\$'000	2012 HK\$'000
Interim dividend of HK\$0.20 (2012: HK\$0.20) per share paid	55,513	55,513
Final dividend of HK\$0.65 (2012: HK\$0.35) per share proposed	182,901	97,148
No special dividend (2012: special dividend of HK\$0.40 per share) proposed	–	111,025
	<u>238,414</u>	<u>263,686</u>

Of the dividends paid during the year, HK\$40,751,000 was settled in shares under the Company's scrip dividend scheme in respect of the interim dividend for the year ended 31 March 2013.

A final dividend of HK\$0.65 per share totalling HK\$182,901,000, with an option to receive shares of the Company, has been proposed by the Directors of the Company and is 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 31 March 2014.

12 DEBTORS, DEPOSITS AND PREPAYMENTS

	2013 HK\$'000	2012 HK\$'000
Trade debtors	410,237	555,768
Less: Provision for impairment	(18,450)	(16,611)
Trade debtors, net	<u>391,787</u>	<u>539,157</u>
Retention receivables	183,763	186,204
Less: Provision for impairment	(33,595)	(989)
Retention receivables, net	<u>150,168</u>	<u>185,215</u>
Other debtors, deposits and prepayments	<u>400,146</u>	<u>598,623</u>
	<u>942,101</u>	<u>1,322,995</u>

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, except for insurance business where credit terms granted to certain debtors are over 60 days.

The ageing analysis of the Group's trade debtors is as follows:

	2013 HK\$'000	2012 HK\$'000
0 – 60 days	248,933	391,212
61 – 90 days	41,437	75,806
Over 90 days	101,417	72,139
	<u>391,787</u>	<u>539,157</u>

13 CREDITORS, BILLS PAYABLE, DEPOSITS AND ACCRUALS

	2013 HK\$'000	2012 HK\$'000
Trade creditors and bills payable	179,121	226,279
Accrued contract costs	175,423	248,930
Other creditors, deposits and accruals	438,585	380,973
Retention payables	119,301	110,590
	<u>912,430</u>	<u>966,772</u>

The ageing analysis of the Group's trade creditors and bills payable is as follows:

	2013 HK\$'000	2012 HK\$'000
0 – 60 days	145,494	192,736
61 – 90 days	3,381	2,636
Over 90 days	30,246	30,907
	<u>179,121</u>	<u>226,279</u>

14 SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$1.25 each		
Authorised:		
At 1 April 2011, 31 March 2012 and 31 March 2013	<u>540,000,000</u>	<u>675,000</u>
Issued and fully paid:		
At 1 April 2011, 31 March 2012 and 1 April 2012	277,564,090	346,955
Issued of shares under scrip dividend scheme	<u>3,822,721</u>	<u>4,779</u>
At 31 March 2013	<u>281,386,811</u>	<u>351,734</u>

15 ACQUISITION OF SENIOR HOUSING BUSINESS

Pursuant to an agreement dated 11 October 2012, the Group acquired a business operating senior housing communities in North Carolina, US, from independent third parties at an aggregated cash consideration of US\$119,623,000 (equivalent to approximately HK\$928,274,000). The acquisition was completed on 21 December 2012.

The goodwill arising from the acquisition is attributable to the profitability of the acquired business.

16 CONTINGENT LIABILITIES

As at 31 March 2013, the Group had contingent liabilities in respect of guarantees issued for utilised borrowings in relation to:

	2013 HK\$'000	2012 HK\$'000
Banking facilities granted to associates	119,255	133,872
Banking facilities granted to a jointly controlled entity	112,975	–
Banking facilities granted to a joint venture partner	168,300	168,300
	<u>400,530</u>	<u>302,172</u>

As at 31 March 2013, the Group's share of contingent liabilities of its jointly controlled entities was as follows:

	2013 HK\$'000	2012 HK\$'000
Guarantees given to banks for mortgage facilities granted to certain buyers of the jointly controlled entities' properties	<u>24,466</u>	<u>70,938</u>

17 COMMITMENT

As at 31 March 2013, the Group had commitment as follows:

	2013 HK\$'000	2012 HK\$'000
Contracted but not provided for in the consolidated financial statements in respect of		
– acquisition of plant and equipment	1,716	3,524
– a property development project	472,906	74,941
	<u>474,622</u>	<u>78,465</u>
Authorised but not contracted for in respect of a property development project	<u>1,782,282</u>	<u>2,527,141</u>
	<u>2,256,904</u>	<u>2,605,606</u>

As at 31 March 2013, the Group's share of commitment of its jointly controlled entities was as follows:

	2013 HK\$'000	2012 HK\$'000
Contracted but not provided for	142,581	186,693
Authorised but not contracted for	653,705	300,715
	<u>796,286</u>	<u>487,408</u>

18 EVENTS AFTER THE END OF THE REPORTING PERIOD

Subsequent to year end, the Group has exercised its right under the put option pursuant to the shareholders agreement dated 7 July 2010 in relation to the disposal of its 20% equity interest in Pacific Coffee (Holdings) Limited and its subsidiaries (together, the "Pacific Coffee Group") at an exercise price of HK\$81,660,000. The transaction has been completed on 11 June 2013. After the completion of the transaction, the Group has no longer held any equity interest in the Pacific Coffee Group.

Subsequent to year end, CAAM Limited ("CAAM"), an associated company of the Group, has completed its acquisition of 70% equity interest in Moraitis Group Pty Limited and its subsidiaries (together, the "Moraitis Group") on 8 April 2013. The Moraitis Group is a fruit and vegetable supplier aggregator and a supplier of fresh produce in Australia. As of the date of this announcement, the Group has subscribed 5,000,000 ordinary shares (representing approximately 38.46% of all the issued ordinary shares) and 29,471,104 preference shares (representing 100% of all the issued preference shares) of CAAM. The preference shares are convertible into ordinary shares of CAAM on a 1:1 basis.

DIVIDEND

The Board of Directors recommends the payment of a final dividend of HK\$0.65 (2012: final dividend of HK\$0.35 and special dividend of HK\$0.40) per share payable to shareholders whose names appear on the Register of Members of the Company on Thursday, 19 September 2013. Subject to approval by the shareholders at the forthcoming annual general meeting of the Company to be held on Friday, 6 September 2013 (the “AGM”), the dividend warrants will be distributed and paid on or about Tuesday, 12 November 2013. Together with the interim dividend of HK\$0.20 (2012: interim dividend of HK\$0.20) per share paid on 5 February 2013, the total dividends for the year amounted to HK\$0.85 (2012: HK\$0.95) per share.

The final dividend will be payable in cash, with an option granted to shareholders to receive new and fully paid shares of HK\$1.25 each in the share capital of the Company in lieu of cash, or partly in cash and partly in shares under the scrip dividend scheme (the “Scrip Dividend Scheme”). The circular containing details of the Scrip Dividend Scheme and the relevant election form will be sent to shareholders on or about Friday, 11 October 2013. The Scrip Dividend Scheme is conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in the new shares to be issued under the Scrip Dividend Scheme.

Final dividend will be distributed, and the share certificates issued under the Scrip Dividend Scheme will be sent to shareholders on or about Tuesday, 12 November 2013.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the Register of Members of the Company will be closed from Monday, 2 September 2013 to Friday, 6 September 2013, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, 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, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 30 August 2013.

The record date for entitlement to the proposed final dividend is Thursday, 19 September 2013. For determining the entitlement to the proposed final dividend, the Register of Members of the Company will be closed from Monday, 16 September 2013 to Thursday, 19 September 2013, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 13 September 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group’s consolidated revenue increased by 8.8%, from HK\$3,850 million in 2011/12 to HK\$4,189 million for the year ended 31 March 2013. Major contributors of such growth included increase in the revenue of the Group’s business in construction and engineering segment and property segment. After taking up the share of revenue of associates and jointly controlled entities, the total segment revenue was HK\$7,091 million for the year ended 31 March 2013, an 10.9% increase over last financial year.

Financial results of the Group reached a record high in this financial year. Stabilisation of the economic conditions in Hong Kong and investment markets worldwide led to a significant increase in the profit of the Group for the year ended 31 March 2013 as compared to the profit in last financial year. The Group’s profit for the year boosted 53.8% from HK\$704 million in 2011/12 to HK\$1,083 million in 2012/13 despite

the fact that there were gains on disposals of a subsidiary and an associate of HK\$180 million recognised in 2011/12. Segment profit also rose from HK\$636 million in 2011/12 to HK\$1,267 million in 2012/13. The increase in the Group's profit for the year was mainly attributable to (i) the increase in fair value of investment properties amounted to HK\$670 million (2012: HK\$256 million); (ii) the fair value gain on securities and financial derivatives investments of HK\$57.8 million (2012: HK\$14.5 million) in addition to a remarkable growth in profit from operations. Profit attributable to equity holders for the year ended 31 March 2013 reached HK\$1,012 million (2012: HK\$658 million).

Construction and engineering

The construction and engineering segment's revenue for the year ended 31 March 2013 recorded an increase of 9.0% to HK\$3,872 million (2012: HK\$3,553 million), mainly due to the increase in revenue contribution from aluminium windows and curtain walls, electrical and mechanical engineering and building materials supplies projects in Hong Kong and Macau, and from lifts and escalators associates in China; offsetting the loss of revenue contribution from an associate in pipe technology disposed on 27 March 2012. Given the improvement in revenue, profit of this segment also increased by 44.5% from HK\$209 million in 2011/12 to HK\$302 million in 2012/13. Nevertheless, the Group continued to face keen operating environment in construction and engineering works in view of current shortage of competent professionals and skilled labours and staff at managerial and supervisory levels. In response to rising materials and labour costs driven by the tremendous market demands, the Group has carried out strategic measures like increasing usage of prefabrication and developing construction initiatives in design and technology for higher productivity. The Group would continue implementing measures to control costs and enhance operation efficiency. The contribution of the lifts and escalators business covering China, Hong Kong, Singapore and Macau in which the Group has 49% equity interest maintained stable during the financial year. The contribution from the lifts and escalators manufacturing plants located in Shanghai and Shenyang in which the Group has 20% equity interest was also encouraging. The Chief Executive of the HKSAR has stated in 2013 Policy Address that the Government will expedite public housing development and infrastructure projects in Hong Kong. Based on the proven track record and dedicated teams of building construction, lifts and escalators; as well as electrical and mechanical engineering and other related services, the Group is well positioned to participate further in those projects.

As at 31 March 2013, the total value of the outstanding construction and engineering contracts in hands of the Group's subsidiaries amounted to HK\$1,918 million. Major contracts are:

1. Construction of alteration and addition works at Sha Tin Racecourse;
2. Construction of the Superstructure Works for the Proposed Composite Building at No. 140–146 Camp Street, Sham Shui Po;
3. Construction of composite development at junction of Plover Cove Road and Po Wu Lane, Taipo;
4. Electrical and mechanical works for Expansion of Tai Po Water Treatment Works Stream II and piping works at CLP Black Point Gas Supply project;
5. Electrical and mechanical works for Galaxy Phase 2, Macau;
6. Supply and Installation of MVAC in Kellett School New Campus and electrical and mechanical works for CLP Shamshui Po Data Centre Stage I Enhancement;
7. Supply of prestige 'Manhattan' kitchen cabinets for luxurious residential in Hing Hon Road, Mid-level West and Lee Tung Street, Wanchai;

8. Design, supply and installation of curtain walls of three educational institutions, including Hang Seng Management College, the Open University of Hong Kong and Charles Perkins Centre of Sydney University and for the proposed residential development in Pak Shek Kok, Tai Po;
9. Salt Water Supply for Northwest New Territories – Construction of Lok On Pai Salt Water Pumping Station and Associated Works.

Insurance and investment

Total revenue of the insurance and investment segment decreased 20.4% from HK\$265 million in 2011/12 to HK\$211 million in 2012/13 primarily as a result of the absence of gross insurance premium written in Employees' Compensation from large construction contracts of large scale infrastructure projects as in 2011/12 although dividend from private equity fund increased sharply.

The segment recorded a profit of HK\$96.0 million for the year end 31 March 2013, turned around from a loss of HK\$4.5 million in 2011/12, represented a rapid recovery in financial investment market and an increase in underwriting profit which was mainly generated from property insurance.

Property

The property segment's revenue rose by 34.9%, from HK\$616 million in 2011/12 to HK\$831 million for the year ended 31 March 2013, resulting from the full year and three-month operations of US senior housing business in Oregon (acquired on 30 June 2011) and North Carolina (acquired on 21 December 2012) respectively by the Group and the increase in the disposal of properties for sale.

The segment's profit recorded a significant growth at 125% from HK\$409 million in 2011/12 to HK\$919 million in 2012/13. Other than the incremental increase of HK\$414 million in fair value gain of investment properties in 2012/13 as compared with last financial year, the share of the gain on disposal of an investment property from an associate also contributed to the boost of the segment profit.

The Group has entered into the senior housing business in US by acquiring 3 senior housing located at Oregon with a total gross building area of 210,000 sq. ft. since June 2011. A total of 336 beds and services ranging from assisted living, memory care, respite care and hospice care are provided to the seniors. In December 2012, the Group has made further acquisition of 18 assisted living/medical care senior housing facilities located at North Carolina, US for a consideration of US\$120 million (net of cost of maintenance). Those 18 facilities have an aggregate capacity of 1,322 beds while the aggregate gross floor area exceeds 440,000 sq. ft. and the aggregate site areas over 4,000,000 sq. ft. The occupancy rate recorded over 80% during the financial year. Although it had experienced a net loss for this financial year after absorbing the initial acquisition costs in North Carolina senior housing business, the Group has already developed a solid record of executing transactions and built good relationship with the experienced counter parties and would be a significant foothold for future acquisition in the similar business in US. The Group is optimistic that this operation will generate stable operating income and offer capital appreciation potential of those properties in future.

Subsequent to the year end, the Group has entered into assignment of the purchase and sale agreement to acquire another assisted living senior housing property located at North Carolina, US from an independent third party. The new senior housing property has an aggregate capacity of 120 beds and site area of approximately 180,000 sq. ft.

The performance of the Group's cold storage and logistics operation was satisfactory with steady contributions in both revenue and profit. The property management business maintains its profitable position in Hong Kong and Shanghai. During the financial year under review, the Group has provided property management services to residential, industrial and commercial properties with total gross floor area of approximately 10,000,000 sq. ft. in Hong Kong. The management will continue to look for opportunities in property management in the coming financial year.

The property development business was affected by austerity measures imposed by the government of Mainland China. During the financial year under review, number of units sold was slowed for the Beijing project – “My Villa”, in which the Group has 44% interest.

“Chevalier City” situated at Luyuan District in Changchun is 96% owned by the Group. The site of this project, with a site area of approximately 4,200,000 sq. ft. and an estimated gross floor area of approximately 8,320,000 sq. ft., has commenced its development in early 2013 and pre-sale for Phase I covering 1,600,000 sq. ft. is expected to be commenced at the end of 2013.

“Chateau Ermitas” situated at Lushan Avenue in Shuangliu County, Chengdu is 49% owned by the Group. The project is comprised over 60 units of villas, more than 700 residential apartment units, a deluxe club house, a shopping mall and car parking facility. Phase I of Chateau Ermitas is in final stage for completion and is targeted to commence the pre-sale before the end of 2013. Construction of Phase II will be commenced in early 2014.

The Urban Renewal Authority of Hong Kong awarded a 50-50 jointly controlled entity of the Group the rights to develop the site at Chi Kiang Street/Ha Heung Road, To Kwa Wan. The site is located in the residential area of To Kwa Wan and is currently in the foundation stage. The project consists of a total gross floor area of about 70,000 sq. ft. of residential space and about 15,000 sq. ft. of commercial space and is expected to be completed in the financial year of 2015/16.

Food and beverage

The food and beverage segment's revenue increased from HK\$691 million in 2011/12 to HK\$756 million in 2012/13 with new outlets opened by subsidiaries and associates of the Group during the financial year. The segment results recorded a loss of HK\$11.2 million in 2012/13 as compared to a gain of HK\$24.4 million in 2011/12. The operating environment was challenging partially due to the minimum wage legislation, continuous rise of food costs and rental levels.

In response to the overwhelming consumer's demands, the Group is actively sourcing for ideal locations to expand the two new brands – Dim Sum Bar which offers Chinese cuisine in a modern and casual setting and Berliner German Bar & Restaurant which features German specialties like roasted pork knuckle and a wide selection of German beers. Cafe Deco Group is going to open another new concept store – Cafe Deco Pizzeria at Elements offering a simple and chic setting for pizza lovers.

The central food processing centre in Chai Wan continues to act as a quality controller in standardising food quality and delivering an assured supply of safe and high-quality products at competitive prices. The Group will continue to explore business opportunities for more new outlets and develop more high value innovative food products with different and unique dining experience to attract new and loyal customers. In view of the great growth potential of the Chinese market, the Group is also exploring business opportunities for franchise operations of its various brands in Mainland China.

Subsequent to year end, the Group has exercised its right under the put option to dispose its 20% equity interest in the Pacific Coffee Group at an exercise price of HK\$81,660,000. After the completion of the transaction on 11 June 2013, the Group has no longer held any equity interest in the Pacific Coffee Group.

Computer and information communication technology and others

The segment's revenue grew by 12.2%, from HK\$1,267 million in 2011/12 to HK\$1,421 million during the year under review mainly due to better revenue gained from the associates' car dealership business in Mainland China although the car dealership business in Canada and computer and information technology business of the Group experienced setback in revenue.

The Group recorded a high segment loss of HK\$38.7 million in 2012/13 compared to a loss of HK\$2.0 million in 2011/12. In addition to the increase in share of loss from associates' car dealership business in Chengdu and the accounting for the acquisition-related expenses incurred from the acquisition in agricultural business in Australia, the businesses of the Group in this segment experienced a general decline in profit.

During the financial year, revenue from car dealership business in Canada decreased considerably because of keen competition. While in Mainland China, 13 4S Shops which distribute across different cities of Sichuan province have operated under the car dealership in Chengdu in which the Group has 40% equity interest. Though profit margin decreased, total revenue exceeded RMB1,300 million with 9,700 automobiles sold in this financial year. In addition to new and used car sales, the 4S shops also rendered a variety of services to the market ranging from car rental, spare parts sales, to repair and maintenance. The Group will continue to develop the value chain of the automobile after-sales business by leveraging the customer base and professional operating system on new car sales. Looking ahead, the Group is cautiously optimistic towards the car dealership market in Mainland China.

The consumer market for notebook computer products distributed by the Group has been shrinking due to the uptake of tablet PC and smartphones. On the other hand, the Group has experienced steady growth in the commercial market for notebook computers and business telephone systems, network infrastructure solutions and office automation solutions. In meeting with the market demand, the Group will continue to focus on opportunities arising from the commercial sector.

During the year, the Group spent considerable time exploring agricultural investment opportunities in Australia. After an extended period of review and negotiations, the Group was finally able to complete the acquisition of Moraitis Group shortly after the end of the financial year under an associated company. The Group intends to leverage on the expertise of Moraitis Group to take advantage of China's growing demand for imported and locally grown quality fresh produce. Currently, Moraitis Group has infrastructure nationwide across Australia, with farms, packing facilities, ripening facilities, prepacking facilities, wholesaling activities as well as owning numerous exclusive plant breeding rights. The Group intends to expand the Moraitis' market share domestically in Australia, while exploring export opportunities to Mainland China with the support of a weakening Australian dollar. In addition, the Group also sees opportunity to take Moraitis' know-how and expertise in farm-to-retail distribution, including its technology, systems and process, to develop a distribution platform in Mainland China based off Moraitis' strong reputation and capability in delivering quality and safe fresh produce.

FINANCIAL REVIEW

As at 31 March 2013, the Group's net assets attributable to equity holders of the Company amounted to HK\$5,821 million (2012: HK\$4,994 million), an increase of HK\$827 million or 16.6% when compared with 2012. Such increase was mainly resulted from the profit attributable to equity holders of the Company of HK\$1,012 million, fair value surplus of properties upon transfer to investment properties of HK\$31.8 million, issue of shares under scrip dividend scheme of HK\$40.8 million, offsetting by the appropriation of dividends of HK\$264 million during the year ended 31 March 2013.

As at 31 March 2013, the Group's bank borrowings increased to HK\$4,323 million (2012: HK\$2,980 million) due to the drawn down of bank loans for financing the acquisition of senior housing business in North Carolina, US and the property development projects in Mainland China during the year. Cash and deposits at bank amounted to HK\$1,280 million (2012: HK\$1,035 million).

The Group's bank borrowings in respect of the portion due within one year dropped to 21.8% (2012: 52.3%) as at 31 March 2013 due to the drawn down of the HK\$1.5 billion 3 years club loan from banks in September and October 2012 to repay the previous HK\$1 billion club loan and fund its operation.

EMPLOYEES AND REMUNERATION POLICIES

The Group employed approximately 3,400 full-time staff under its subsidiaries globally as at 31 March 2013. Total staff costs amounted to HK\$854 million for the year ended 31 March 2013. 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 year.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange throughout the year ended 31 March 2013, except for the following deviations:–

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

Code Provision A.6.7 stipulates that the Independent Non-Executive Directors and other Non-Executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr Sun Kai Dah, George, an Independent Non-Executive Director was unable to attend the annual general meeting of the Company held on 7 September 2012 due to an oversea commitment. Dr Chow Ming Kuen, Joseph and Mr Yang Chuen Liang, Charles, both Independent Non-Executive Directors were unable to attend the special general meeting of the Company held on 21 December 2012 due to other engagement.

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, each of the Directors confirmed that he/she has complied with the Model Code throughout the year.

AUDIT COMMITTEE

The Audit Committee comprises three Independent Non-Executive Directors of the Company, namely Mr Yang Chuen Liang, Charles as Committee Chairman, Dr Chow Ming Kuen, Joseph and Mr Sun Kai Dah, George.

During the year, the Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal controls, risk management systems of the Group and financial reporting matters including the review of the audited consolidated financial statements of the Group for the year ended 31 March 2013.

PUBLICATION OF ANNUAL RESULTS ON THE STOCK EXCHANGE’S WEBSITE

The annual results announcement of the Company for the year ended 31 March 2013 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 31 March 2013 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 express my sincere appreciation to our shareholders, business partners for their continued support. I would also like to thank all the staff of the Group for their loyalty, dedication and continuing hard work.

By Order of the Board
Chevalier International Holdings Limited
CHOW Yei Ching
Chairman

Hong Kong, 27 June 2013

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, Ma Chi Wing and Miss Lily Chow as Executive Directors; Dr Chow Ming Kuen, Joseph, Messrs Sun Kai Dah, George, Yang Chuen Liang, Charles and Professor Poon Chung Kwong as Independent Non-Executive Directors; and Dr Ko Chan Gock, William as Non-Executive Director.

* *For identification purpose only*