CHEVALIER PACIFIC HOLDINGS LIMITED
其士泛亞控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 508)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2008

INTERIM RESULTS

The Directors of Chevalier Pacific Holdings Limited (the "Company") hereby announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30th September, 2008, together with the comparative figures for the corresponding period in 2007 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30th September, 2008

		Unaudited six months ended 30th September,	
	Note	**2008** ***HK$'000***	2007 *HK$'000*
Continuing operations			
Revenue	*3*	**161,128**	148,954
Cost of sales		**(41,504)**	(36,885)
Gross profit		**119,624**	112,069
Other (expenses)/income, net	*4*	**(19,089)**	531
Other gain, net		**151**	1,692
Operating expenses		**(121,941)**	(104,263)
Operating (loss)/profit		**(21,255)**	10,029
Share of results of associates		**5,357**	2,878
		(15,898)	12,907
Finance income	*5*	**254**	1,099
Finance costs	*5*	**(267)**	(1,491)
Finance costs, net	*5*	**(13)**	(392)
(Loss)/profit before taxation	*6*	**(15,911)**	12,515
Income tax	*7*	**1,466**	(1,401)
(Loss)/profit for the period from continuing operations		**(14,445)**	11,114
Discontinued operations			
Profit for the period from discontinued operations	*10*	**–**	9,397
(Loss)/profit for the period		**(14,445)**	20,511
Attributable to:			
Equity holders of the Company		**(14,445)**	20,511
Dividends	*8*	**2,155**	6,465
(Loss)/earnings per share	*9*		
From continuing operations			
– Basic and diluted *(HK cents per share)*		**(6.70)**	5.57
From discontinued operations			
– Basic and diluted *(HK cents per share)*		**–**	4.70
Total *(HK cents per share)*		**(6.70)**	10.27

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30th September, 2008

	Note	Unaudited 30th September, 2008 HK$'000	Audited 31st March, 2008 HK$'000
Non-current assets			
Investment property		**9,800**	9,800
Property, plant and equipment		**55,908**	59,466
Goodwill		**84,010**	84,010
Trademark		**108,000**	108,000
Interests in associates		**83,320**	77,963
Available-for-sale investments		**14,124**	19,423
Investments at fair value through profit or loss		**14,750**	14,884
Amount due from an associate		**2,050**	2,733
Non-current deposits		**25,578**	24,395
		397,540	400,674
Current assets			
Inventories		**8,335**	8,621
Debtors, deposits and prepayments	*11*	**25,927**	22,881
Amount due from an associate		**1,403**	1,367
Investments at fair value through profit or loss		**73,608**	83,317
Bank balances and cash equivalents		**141,358**	200,011
		250,631	316,197
Current liabilities			
Creditors, deposits and accruals	*12*	**27,597**	71,490
Amount due to ultimate holding company		**2,056**	1,783
Amounts due to associates		**2,327**	2,616
Deferred income		**4,753**	3,308
Dividend payable		**15,089**	–
Provision for taxation		**2,341**	1,923
Bank borrowings		**2,000**	2,000
		56,163	83,120
Net current assets		**194,468**	233,077
Total assets less current liabilities		**592,008**	633,751
Capital and reserves			
Share capital		**107,770**	107,770
Reserves		**446,423**	485,282
Total equity		**554,193**	593,052
Non-current liabilities			
Deferred tax liabilities		**20,315**	22,199
Bank borrowings		**17,500**	18,500
		37,815	40,699
Total equity and non-current liabilities		**592,008**	633,751

Notes

1 Basis of preparation and accounting policies

The condensed consolidated financial statements have been prepared in accordance with applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2 Principal accounting policies

The condensed consolidated financial statements have been prepared under the historical cost convention except for investment property and financial instruments, which are stated at fair values.

The accounting policies and methods of computation used in the preparation of the condensed consolidated financial statements are consistent with those used in the annual financial statements of the Group for the year ended 31st March, 2008. The HKICPA has issued a number of new Hong Kong Financial Reporting Standards, revised HKASs and interpretations to existing standards. For those which are effective for accounting periods beginning on 1st April, 2008, the adoption has no significant impact on the Group's results and financial position; and for those which are not yet effective, the Group is in the process of assessing their impact on the Group's results and financial position.

3 Business and geographical segments

Revenue and results

(a) By business segment

For management purposes, the Group is organised into two (2007: three) divisions. These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below.

For the six months ended 30th September, 2008

	Continuing operations		
	Food and beverages *HK$'000*	**Investments in securities** *HK$'000*	**Total** *HK$'000*
REVENUE	**156,167**	**4,961**	**161,128**
RESULTS			
Segment results	**(3,231)**	**(14,454)**	**(17,685)**
Unallocated corporate expenses			**(3,745)**
Unallocated corporate income			**175**
Share of results of associates	**5,357**	**–**	**5,357**
Finance income			**254**
Finance costs			**(267)**
Loss before taxation			**(15,911)**
Income tax			**1,466**
Loss for the period			**(14,445)**

For the six months ended 30th September, 2007

	Continuing operations		Discontinued operations	
	Food and beverages *HK$'000*	Investments in securities *HK$'000*	Computer and information communication technology *HK$'000*	Total *HK$'000*
REVENUE	142,871	6,083	35,287	184,241
RESULTS				
Segment results	5,706	5,341	60	11,107
Unallocated corporate expenses				(1,018)
Gain on disposal of discontinued operations	–	–	9,397	9,397
Share of results of associates	2,878	–	–	2,878
Finance income				1,130
Finance costs				(1,582)
Profit before taxation				21,912
Income tax				(1,401)
Profit for the period				20,511

(b) *By geographical segment*

	Revenue Six months ended 30th September,	
	2008 *HK$'000*	2007 *HK$'000*
Hong Kong	**146,384**	164,643
Singapore	**9,030**	12,932
Mainland China	**5,714**	4,441
Thailand	**–**	2,225
	161,128	184,241

4 Other (expenses)/income, net

	Six months ended 30th September, 2008 HK$'000	2007 HK$'000
Continuing operations		
(Loss)/gain on investments at fair value through profit or loss	**(19,567)**	407
Interest from amount due from an associate	**127**	–
Gross rental income HK$228,000 (2007: HK$114,000) from property less direct operating expenses	**223**	114
Others	**128**	10
	(19,089)	531
Discontinued operations		
Gross rental income HK$Nil (2007: HK$95,000) from properties less direct operating expenses	**–**	64
	(19,089)	595

5 Finance costs, net

	Continuing operations		Discontinued operations		Total	
	Six months ended 30th September,		Six months ended 30th September,		Six months ended 30th September,	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest on bank borrowings and overdrafts	**267**	1,491	**–**	91	**267**	1,582
Less: Interest income from bank deposits	**(254)**	(1,099)	**–**	(31)	**(254)**	(1,130)
	13	392	**–**	60	**13**	452

6 (Loss)/profit before taxation

	Continuing operations		Discontinued operations		Total	
	Six months ended 30th September,		Six months ended 30th September,		Six months ended 30th September,	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
(Loss)/profit before taxation has been arrived at after charging:						
Cost of inventories recognised as expenses	**40,808**	36,040	**–**	28,478	**40,808**	64,518
Depreciation on property, plant and equipment	**11,468**	9,491	**–**	378	**11,468**	9,869
Staff costs	**38,238**	33,489	**–**	5,643	**38,238**	39,132
Operating lease payments in respect of leasing of premises under						
– minimum lease payments	**42,945**	32,284	**–**	848	**42,945**	33,132
– contingent rent	**3,347**	4,459	**–**	–	**3,347**	4,459

7 Income tax

	Continuing operations		Discontinued operations		Total	
	Six months ended 30th September,		Six months ended 30th September,		Six months ended 30th September,	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Current tax						
Hong Kong	**418**	1,636	**–**	–	**418**	1,636
Deferred tax						
Current period	**(614)**	(235)	**–**	–	**(614)**	(235)
Attributable to change in tax rate	**(1,270)**	–	**–**	–	**(1,270)**	-
	(1,466)	1,401	**–**	–	**(1,466)**	1,401

Hong Kong profits tax is calculated at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits after offsetting losses brought forward of each individual company.

On 26th June, 2008, the Hong Kong Legislative Council passed the revenue bill 2008 which included the reduction in corporate tax rate by 1% from 17.5% to 16.5% effective from the year of assessment 2008/2009. The effect of such decrease has been reflected in measuring the current and deferred tax for the six months ended 30th September, 2008.

8 Dividends

	Six months ended 30th September,	
	2008	2007
	HK$'000	*HK$'000*
Interim dividend of HK1.0 cent (2007: HK3.0 cents) per share	**2,155**	6,465

On 10th December, 2008, the Board of Directors declared an interim dividend of HK1.0 cent per ordinary share. The interim dividend is not reflected as a dividend payable in this condensed consolidated financial statements, but will be reflected as an appropriation of the retained profits for the year ending 31st March, 2009.

A 2008 final dividend of HK7.0 cents per ordinary share, totally HK$15,089,000 was approved at the annual general meeting held on 26th September, 2008 and was paid in October 2008. It has been reflected as an appropriation of retained profits for the six months ended 30th September, 2008.

9 (Loss)/earnings per share

Basic (loss)/earnings per share are calculated by dividing the (loss)/profit attributable to equity holders of the Company as set out below by the weighted average number of 215,540,017 ordinary shares (2007: 199,683,619 ordinary shares) in issue during the period.

	Six months ended 30th September,	
	2008	2007
	HK$'000	*HK$'000*
Continuing operations	**(14,445)**	11,114
Discontinued operations	**–**	9,397
Total	**(14,445)**	20,511

As there was no dilutive potential share, diluted (loss)/earnings per share from continuing operations and discontinued operations equal the basic (loss)/earnings per share from continuing operations and discontinued operations respectively.

10 Discontinued operations

On 12th March, 2007, the Company entered into an agreement to dispose of the Group's operations relating to computer and information communication technology (the "Disposal"). The Disposal was completed on 2nd May, 2007.

The results of the discontinued operations included in the condensed consolidated income statement are set out below:

	Six months ended 30th September, 2008	Six months ended 30th September, 2007
	HK$'000	*HK$'000*
Revenue	**–**	35,287
Cost of sales	**–**	(30,996)
Gross profit	**–**	4,291
Other income, net	**–**	64
Other gain, net	**–**	367
Operating expenses	**–**	(4,662)
Operating profit	**–**	60
Finance income	**–**	31
Finance costs	**–**	(91)
Finance costs, net	**–**	(60)
Profit before taxation	**–**	–
Income tax	**–**	–
Gain on disposal of discontinued operations	**–**	9,397
Profit for the period from discontinued operations	**–**	9,397

11 Debtors, deposits and prepayments

	As at 30th September, 2008	As at 31st March, 2008
	HK$'000	*HK$'000*
Trade debtors	**3,589**	1,551
Less: Provision for impairment	**(49)**	(51)
	3,540	1,500
Other debtors, deposits and prepayments	**22,387**	21,381
	25,927	22,881

The Group has established different credit policies for customers in each of its core businesses. The average credit period granted to trade debtors is 60 days except for sales of food and beverages at coffee shops which are mainly on cash basis.

The ageing analysis of trade debtors is as follows:

	As at 30th September, 2008 *HK$'000*	As at 31st March, 2008 *HK$'000*
0 – 60 days	**2,822**	1,288
61 – 90 days	**567**	49
Over 90 days	**151**	163
	3,540	1,500

The carrying amounts of the Group's trade debtors, deposits and prepayments approximate to their fair values.

12 Creditors, deposits and accruals

	As at 30th September, 2008 *HK$'000*	As at 31st March, 2008 *HK$'000*
Trade creditors and bills payable	**4,656**	5,284
Other creditors, deposits and accruals	**22,941**	44,727
Consideration payable for the acquisition of 49% of the issued capital of SEL *(Note 13)*	**–**	21,479
	27,597	71,490

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

	As at 30th September, 2008 *HK$'000*	As at 31st March, 2008 *HK$'000*
0 – 60 days	**4,034**	4,736
61 – 90 days	**193**	216
Over 90 days	**429**	332
	4,656	5,284

The carrying amounts of the Group's trade creditors, deposits and accruals approximate to their fair values.

13 Capital commitment

As at 30th September, 2008, the Group has committed to acquiring the remaining 51% of the issued share capital of its associate company, Sinochina Enterprises Limited ("SEL"), from Sinochina Pacific Limited, an independent third party. After that acquisition, SEL will become a wholly-owned subsidiary of the Group. The consideration is based on the forthcoming financial results of SEL and its subsidiaries and associates for the year ending 31st December, 2008. The total consideration to acquire 100% of the issued share capital of SEL (including HK$63,829,000 paid in respect of the 49% already acquired) shall not exceed HK$200,000,000.

14 Comparative figures

Certain comparative figures have been reclassified in order to conform with the presentation of current period.

INTERIM DIVIDEND

The Board of Directors has resolved to declare an interim dividend of HK1 cent (2007: HK3 cents) per share for the six months ended 30th September, 2008 payable on Monday, 12th January, 2009 to shareholders whose names appear on the Register of Members of the Company on Tuesday, 6th January, 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 2nd January, 2009 to Tuesday, 6th January, 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the above interim dividend, 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 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 31st December, 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Lifestyle food & beverages business continues as the principal business of the Group in this year, and Pacific Coffee chain store operation ("Pacific Coffee") remains the major line of business. The Group also maintains 49% equity interest in Igor's Group ("Igor's"), which operates a portfolio of restaurant and bar outlets in Hong Kong. As of 30th September, 2008, there were globally 81 Pacific Coffee chain stores and 29 Igor's outlets in operation (last year: 71 & 26 respectively); the majority of Pacific Coffee stores are situated in Hong Kong, some are strategically located in Singapore, Shanghai and Beijing. The Group also invests in portfolio of financial assets. Revenue from continuing operations for the six-month period grew 8.2% to HK$161 million; yet, as a result of recognition of HK$14.5 million loss on investments in securities for the period under review, the Group recorded in total HK$14.4 million net loss from continuing operations (last year: HK$11.1 million net profit).

Cash position of the Group as of 30th September, 2008 remained strong, which should be sufficient to support its normal operating and investing activities in foreseeable future.

Food & Beverages Segment

Revenue of the food & beverages segment for the six-month period in current year grew 9.3% from last year to HK$156 million; segment gross profit grew in proportion with segment revenue and segment gross margin remained stable at 73.4% level.

Contribution of Hong Kong operation to segment results halved as compared with last year mainly due to a 30.5% year-to-year increase in rental expenses. Staff cost and operating overheads of Hong Kong operation also increased at rates higher than revenue growth in the period. Overseas operations recorded similar level of loss of last year, which offset the profit of the Hong Kong operation. As a result, the Group recorded segment result of HK$3.2 million loss for the six-month period in current year (last year: HK$5.7 million profit).

Adding share of current period results of Igor's of HK$5.4 million, the food & beverages segment of the Group generated a net HK$2.2 million operating profit for the six-month period of the year under review (last year: HK$8.6 million).

Pacific Coffee

Hong Kong Operation

There were 67 stores in operation in Hong Kong as of 30th September, 2008 (last year: 56). Same store revenue growth rate was 1.0% during the current six-month period and total revenue grew 12.7% to HK$141 million. The current store portfolio of Pacific Coffee is well distributed and established to cover prime residential sites, commercial districts as well as key tourist and transport hubs. This broad spectrum and varied exposure allow the brand to be more resilient to change in environmental conditions.

Succeeding the trend of last fiscal year, the first half of 2008/09 experienced continuous upsurge in property rental and general merchandise especially food prices. To counteract such pressure and to unleash potential, Pacific Coffee has undertaken multifarious enhancement initiatives. Internal measures include higher inventory velocity, higher degree of integration of POS (Point-of-Sale System) front and back end, more discreet human resources policy and reduced total store man hour, closer relationship with central kitchen of Igor's, and a few more. On business and marketing side, Pacific Coffee continues to undertake creative marketing and promotion campaigns, very often in collaboration with selected customer groups, business partners and renowned premium lifestyle brands. "The Perfect Cup" loyalty card which was launched in December 2007 has proven to be a success. Number of cardholders grew at a compound monthly growth rate of 16.0%, or 3 times in nine months. To widen income sources, Pacific Coffee has also further developed its wholesale market of high-end coffee machine, business catering service and vending solutions.

Leases of Pacific Coffee's portfolio of stores were entered into, hence would take effect, at different times. It is thus anticipated that property rental expenses in second half of fiscal year 2008/09 will grow in a lesser extent as compared to the year-to-year growth rate of first half of this fiscal year.

Singapore Operation

Network in Singapore remains stable, which consists of 7 stores as of 30th September, 2008 (last year: 8). In terms of local currency, same store revenue for the six-month period in this competitive market decreased 5.6% and total revenue reduced 36.8%. This is the result of closure of 2 non-performing stores and opening of one new, yet to mature, store. Improvement in operating performance remains a challenge due to keen competition and our relatively small operating scale there. Pacific Coffee will continue to explore opportunity to revisit market presence strategy and business collaboration with local or foreign partners.

Mainland China Operation

Pacific Coffee was operating 5 stores in Beijing and 2 stores in Shanghai as of 30th September, 2008 (last year: 4 stores and 3 stores respectively). Total revenue in RMB for the six-month period grew 24.4%. Baseline enhancement remains a priority and new management has been seconded to turnaround the operation.

Pacific Coffee has secured a franchise partner in October 2008 to operate licensed stores in certain South China cities including Zhuhai, Guangzhou and Macau. Further franchising opportunities in Mainland China, Southeast Asia and the Middle East will be carefully and actively explored and sought for in future.

Igor's

The Group's 49% equity stake in Igor's earned decent returns. Share of results of associates for the six-month period increased 86.2% to HK$5.4 million (last year: HK$2.9 million). As of 30th September, 2008, Igor's portfolio of outlets consist of 12 bars, 9 restaurants and 8 "Wildfire" chain stores, spanning strategically in Central, Mid-Level, Wanchai, Stanley, Discovery Bay, and West Kowloon. Total revenue increased 53.0% from same period last year to HK$142 million. Results of Watermark, a fine dining restaurant at new Star Ferry Pier in Central which was opened in October 2007, were stunning and accounted for two-fifth of the above mentioned revenue growth.

Cooperation with the management of Igor's is satisfactory and effective and the Group has started to leverage on the two teams of Pacific Coffee and Igor's for overall synergy to its food and beverages business. The Group anticipates to acquire the remaining 51% equity stake of Igor's by early 2009.

Investment in Securities Segment

In total, the Group recorded a loss of HK$14.5 million for the six-month period as a result of the recent rapid downturn in the financial market (last year: HK$5.3 million profit), which consists of realised and unrealised loss on investments at fair value through profit or loss and available-for-sale investments of HK$19.5 million, and offsetting by interest income on bonds and structured deposits of HK$5.0 million. As of 30th September, 2008, the carrying value of the investment portfolio amounted to HK$103 million, which consists of, in majority, principal-protected structured deposits and private equity and venture capital funds of approximately HK$29.0 million, and the remaining HK$74.0 million were in investment-grade debt securities, exchange-trade funds and hedge funds. There was no listed equity in the portfolio. During the period ended 30th September, 2008, the Group had no exposure in any equity accumulators and currency accumulators.

The Group will continue to implement a conservative investment policy, and to reduce in a disciplined manner the size of the portfolio in view of future global economic condition.

PROSPECTS

Weaker office occupancy and lackluster trade fair and exhibition business likewise has seen erosion in Pacific Coffee store sales at certain key locations. Selected stores at tourist sites and transport hubs were affected by weakened tourist numbers. However, the broad spectrum of Pacific Coffee stores enabled geographical swing of consumer spending, which currently remains positive and is likely to continue through the festive season.

The Group will continue its recent focus on current store improvements and operational performance, providing not only an improved platform but creating a more dynamic and motivated team ready for the challenges ahead. The wholesale division is exploring to offer more creative coffee solutions to broader customer group. Food offer and range will be reviewed and engineered to introduce higher yielding offer; existing menu will be carefully expanded to a larger market. Effort will be spent to grow circulation of Pacific Coffee's "The Perfect Cup" loyalty card and Igor's "Elite" card, which can leverage patronage with possible cross branding exercises.

While some competitors were more bullish in recent months taking up higher rental locations, store growth at Pacific Coffee and Igor's has been less aggressive compared with previous years with recent additions focused on low or nil rent options, providing a cost competitiveness. Given the recent change in economic condition, although rental of prime shopping arcade outlets may stand firm for sometimes, the Group sees opportunity in the property rental market especially street level outlets. This allows the Group to evaluate locations that become more economic for food & beverages operation and support the expansion of our network in Hong Kong.

FINANCIAL REVIEW

As at 30th September, 2008, the Group's total net assets attributable to equity holders of the Company amounted to approximately HK$554 million (as at 31st March, 2008: HK$593 million), an decrease of HK$39.0 million or 6.6%. Such decrease was mainly caused by the loss attributable to equity holders of the Company of HK$14.4 million, dividends appropriated during the period of HK$15.1 million and reduction in investment revaluation reserve of HK$8.9 million. As at 30th September, 2008, the Group's bank and other borrowings amounted to HK$19.5 million (as at 31st March, 2008: HK$20.5 million). Cash and deposits at bank, including fixed and structured deposits, amounted to HK$156 million (as at 31st March, 2008: HK$215 million).

EMPLOYEES AND REMUNERATION POLICIES

As at 30th September, 2008, the Group employed approximately 620 full time staff globally. Total staff costs amounted to approximately HK$38.2 million for the period under review. 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

During the period, 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 unaudited condensed consolidated financial statements for the six months ended 30th September, 2008.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30th September, 2008.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the code provisions listed in the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the six months ended 30th September, 2008 with deviation from code provision A.4.1 which had already been stated in the Company's annual report 2008.

PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The interim results announcement of the Company for the six months ended 30th September, 2008 is published on the Stock Exchange's website at http://www.hkex.com.hk and the Company's website at http://www.chevalier.com. The interim report of the Company for the six months ended 30th September, 2008 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 thank the management and all staff for their concerted effort, commitment and professionalism under such challenging situation.

By Order of the Board
CHOW Yei Ching
Chairman

Hong Kong, 10th December, 2008

As at the date of this announcement, the Board of the Company comprises Dr. Chow Yei Ching (Chairman), Mr. Chow Vee Tsung, Oscar (Managing Director), Mr. Kuok Hoi Sang, Miss Lily Chow, Mr. Chang Wan Lung, Robert and Mr. Ho Sai Hou as executive directors and Mr. Shinichi Yonehara, Mr. Wu King Cheong, Mr. Leung Kwong Kin and Mr. Lau Kai Shu, Frank as independent non-executive directors.

website: http://www.chevalier.com

* *For identification purpose only*