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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 2016

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 2016, together with the comparative figures summarised as follows:

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 HK\$'000	2015 HK\$'000
Revenue	4	5,537,763	5,012,651
Cost of sales		<u>(4,325,855)</u>	<u>(3,799,450)</u>
Gross profit		1,211,908	1,213,201
Other income, net	5	63,410	155,103
Other (losses)/gains, net	6	(130,842)	957,049
Selling and distribution costs		(451,869)	(518,263)
Administrative expenses		<u>(239,510)</u>	<u>(221,954)</u>
Operating profit		453,097	1,585,136
Share of results of associates		116,932	249,406
Share of results of joint ventures		<u>(25,407)</u>	<u>(28,753)</u>
		544,622	1,805,789
Finance income	7	23,646	19,315
Finance costs	7	<u>(105,156)</u>	<u>(114,626)</u>
Finance costs, net	7	<u>(81,510)</u>	<u>(95,311)</u>
Profit before taxation	8	463,112	1,710,478
Income tax expenses	9	<u>(102,966)</u>	<u>(120,155)</u>
Profit for the year		<u>360,146</u>	<u>1,590,323</u>

	Note	2016 HK\$'000	2015 HK\$'000
Attributable to:			
Equity holders of the Company		315,056	1,537,162
Non-controlling interests		45,090	53,161
		<u>360,146</u>	<u>1,590,323</u>
Earnings per share			
– basic (HK\$ per share)	10	<u>1.05</u>	<u>5.21</u>
– diluted (HK\$ per share)	10	<u>1.05</u>	<u>5.21</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 HK\$'000	2015 HK\$'000
Profit for the year	360,146	1,590,323
Other comprehensive expenses for the year		
Item that may not be reclassified to profit or loss		
Fair value surplus of properties for own use	55,564	–
Items that may be reclassified subsequently to profit or loss		
Exchange difference on translation of operations of overseas subsidiaries, associates and joint ventures	(147,073)	(93,044)
Share of other comprehensive expense of an associate	(3,865)	–
Change in fair value of available-for-sale investments	(48,538)	(28,365)
Impairment loss on available-for sale investments transferred to consolidated income statement	17,160	44,685
Fair value adjustments on the derivative financial instruments designated as cash flow hedge in respect of interest rate swap contracts	(6,857)	(1,437)
Other comprehensive expenses for the year, net of tax	(133,609)	(78,161)
Total comprehensive income for the year	226,537	1,512,162
Attributable to:		
Equity holders of the Company	191,272	1,460,428
Non-controlling interests	35,265	51,734
	226,537	1,512,162

Note: Items shown within other comprehensive expenses are disclosed net of tax.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

	Note	2016 HK\$'000	2015 HK\$'000
Non-current assets			
Investment properties		3,663,625	3,680,497
Property, plant and equipment		1,899,365	1,970,089
Goodwill		629,014	690,184
Other intangible assets		3,135	17,235
Interests in associates		921,070	998,480
Interests in joint ventures		520,705	1,510,132
Available-for-sale investments		129,428	201,092
Derivative financial instruments		–	18,073
Properties under development		1,128,747	789,476
Deferred tax assets		18,547	16,255
Other non-current assets		121,123	154,169
		<u>9,034,759</u>	<u>10,045,682</u>
Current assets			
Amounts due from associates		18,074	11,298
Amount due from a joint venture		59	50
Amounts due from non-controlling interests		25,039	33,800
Investments at fair value through profit or loss		505,848	364,334
Inventories		136,317	154,803
Properties for sale		1,233,028	44,367
Properties under development		342,077	623,349
Debtors, deposits and prepayments	12	1,087,487	1,235,726
Amounts due from customers for contract work		119,283	133,437
Derivative financial instruments		1,606	13,220
Prepaid tax		6,834	6,492
Bank balances and cash		2,009,282	2,662,622
		<u>5,484,934</u>	<u>5,283,498</u>
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	Note	2016 HK\$'000	2015 HK\$'000
Current liabilities			
Amounts due to associates		240	29,685
Amount due to a joint venture		53,230	–
Amount due to a non-controlling interest		–	3,538
Amounts due to customers for contract work		934,670	951,485
Derivative financial instruments		9,557	13,247
Creditors, bills payable, deposits and accruals	13	1,297,737	1,456,697
Unearned insurance premiums and unexpired risk reserves		80,976	113,730
Outstanding insurance claims		352,519	376,048
Deferred income		17,227	25,499
Current income tax liabilities		62,964	60,808
Bank borrowings		960,852	589,848
		<u>3,769,972</u>	<u>3,620,585</u>
Net current assets		<u>1,714,962</u>	<u>1,662,913</u>
Total assets less current liabilities		<u>10,749,721</u>	<u>11,708,595</u>
Capital and reserves			
Share capital	14	377,411	374,989
Reserves		7,372,273	7,514,262
		<u>7,749,684</u>	<u>7,889,251</u>
Shareholders' funds		7,749,684	7,889,251
Non-controlling interests		488,571	509,498
		<u>8,238,255</u>	<u>8,398,749</u>
Total equity		<u>8,238,255</u>	<u>8,398,749</u>
Non-current liabilities			
Unearned insurance premiums		80,560	108,355
Bank borrowings		2,151,684	2,938,280
Deferred tax liabilities		279,222	263,211
		<u>2,511,466</u>	<u>3,309,846</u>
Total equity and non-current liabilities		<u>10,749,721</u>	<u>11,708,595</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. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, staff quarters, available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

2 Accounting policies

(a) Amendment and improvements to existing standards that are effective for the Group’s financial year beginning on 1 April 2015

The following amendment and improvements to existing standards, that are relevant to the Group’s operation, are mandatory for the financial year of the Group beginning on 1 April 2015:

- HKAS 19 (2011) (amendment), “Defined benefit plans – Employee contributions”
- Annual Improvements Project – Improvements to HKFRS 2010-2012 Cycle
- Annual Improvements Project – Improvements to HKFRS 2011-2013 Cycle

The adoption of the amendment and improvements to existing standards 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.

(b) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(c) New standards and amendments and improvements to existing standards that have been issued but not yet effective and have not been early adopted by the Group

The following new standards and 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 of the Group beginning on 1 April 2015 and have not been early adopted:

- HKAS 1 (amendment), “Disclosure initiative”¹
- HKAS 16 and HKAS 38 (amendment), “Clarification of acceptable methods of depreciation and amortisation”¹
- HKAS 27 (2011) (amendment), “Equity method in separate financial statements”¹
- HKFRS 9, “Financial instruments”²
- HKFRS 10 and HKAS 28 (amendment), “Sale or contribution of assets between an investor and its associate or joint venture”⁴
- HKFRS 10, HKFRS 12 and HKAS 28 (amendment), “Investment entities – Applying the consolidation exception”¹
- HKFRS 11 (amendment), “Accounting for acquisition of interests in joint operation”¹
- HKFRS 14, “Regulatory deferral accounts”¹
- HKFRS 15, “Revenue from contracts with customers”²
- HKFRS 16, “Leases”³
- Annual Improvements Project – Improvements to HKFRS 2012-2014 Cycle¹

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

⁴ Effective for annual periods beginning on or after a date to be determined

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, 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 works for aluminium window and curtain walls, building construction, building supplies, electrical and mechanical and environmental engineering, lift and escalator and pipe technology.

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, hotel operations and senior housing.

Food and beverage: Restaurant and bar.

Others: Sales and servicing of information technology equipment and business machines, retailing, trading and servicing of motor vehicles, food trading and fresh produce supply.

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 joint ventures on a proportionate consolidated basis. The sales from associates and joint ventures to the Group and sales between individual associates and joint ventures 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 joint ventures 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 current assets and non-current assets as disclosed in the consolidated statement of financial position except prepaid tax, unallocated bank balances and cash, deferred tax assets 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	Others HK\$'000	Total HK\$'000
For the year ended 31 March 2016						
REVENUE						
Total revenue	2,709,256	129,517	1,744,764	458,948	589,980	5,632,465
Inter-segment revenue	–	(38,993)	(45,495)	–	(10,214)	(94,702)
Group revenue	2,709,256	90,524	1,699,269	458,948	579,766	5,537,763
Share of revenue of associates and joint ventures	1,958,585	–	41,991	139,011	1,661,958	3,801,545
Proportionate revenue from a joint venture eliminated	(10,050)	–	–	–	–	(10,050)
Segment revenue	4,657,791	90,524	1,741,260	597,959	2,241,724	9,329,258
RESULTS						
Segment profit/(loss)	290,273	16,233	402,637	(5,015)	(140,683)	563,445
Included in segment profit/(loss) are:						
Share of results of associates	115,191	–	143	9,098	(7,500)	116,932
Share of results of joint ventures	59	–	(25,466)	–	–	(25,407)
Increase in fair value of investment properties	–	–	31,997	–	–	31,997
Depreciation and amortisation, net of capitalisation	(7,663)	(157)	(72,177)	(21,131)	(5,686)	(106,814)
Impairment loss on amount due from an associate	–	–	–	–	(118,832)	(118,832)
Impairment loss on goodwill	–	–	(4,656)	–	–	(4,656)
Impairment loss on available-for-sale investments	–	(17,160)	–	–	–	(17,160)
Unrealised gain on derivative financial instruments	79	3,690	–	–	–	3,769
Unrealised loss on investments at fair value through profit or loss	–	(26,550)	–	–	–	(26,550)
Write (down)/back of inventories to net realisable value, net	(175)	–	–	–	2,014	1,839
Impairment loss on trade and other debtors	(2,473)	(14)	(6,130)	–	(27)	(8,644)

	Construction and engineering HK\$'000	Insurance and investment HK\$'000	Property HK\$'000	Food and beverage HK\$'000	Others HK\$'000	Total HK\$'000
For the year ended 31 March 2015						
REVENUE						
Total revenue	2,545,134	174,076	1,098,156	605,346	669,965	5,092,677
Inter-segment revenue	–	(19,906)	(48,126)	–	(11,994)	(80,026)
Group revenue	2,545,134	154,170	1,050,030	605,346	657,971	5,012,651
Share of revenue of associates and joint ventures	2,154,243	–	60,512	95,026	2,235,519	4,545,300
Proportionate revenue from a joint venture eliminated	(15,545)	–	–	–	–	(15,545)
Segment revenue	4,683,832	154,170	1,110,542	700,372	2,893,490	9,542,406
RESULTS						
Segment profit/(loss)	317,805	50,261	1,576,473	25,771	(139,823)	1,830,487
Included in segment profit/(loss) are:						
Share of results of associates	124,214	–	156	7,980	117,056	249,406
Share of results of joint ventures	242	–	(28,995)	–	–	(28,753)
Increase in fair value of investment properties	–	–	193,312	–	–	193,312
Depreciation and amortisation, net of capitalisation	(6,656)	(180)	(71,690)	(29,435)	(6,205)	(114,166)
Impairment loss on property, plant and equipment	–	–	–	(3,452)	–	(3,452)
Impairment loss on amounts due from associates	–	–	(39)	(307)	(66,485)	(66,831)
Impairment loss on amounts due from joint ventures	–	–	(153,874)	–	–	(153,874)
Impairment loss on available-for-sale investments	–	(17,639)	–	–	(192,747)	(210,386)
Unrealised (loss)/gain on derivative financial instruments	(77)	(4,320)	–	2,073	(2,802)	(5,126)
Unrealised gain on investments at fair value through profit or loss	–	17,213	–	–	–	17,213
Write (down)/back of inventories to net realisable value, net	(308)	–	–	–	2,434	2,126
Impairment loss on trade and other debtors	(3,156)	(65)	(7,857)	(282)	(20,475)	(31,835)

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:

	2016	2015
	HK\$'000	HK\$'000
Total segment revenue	9,329,258	9,542,406
Add: Proportionate revenue from a joint venture eliminated	10,050	15,545
Less: Share of revenue of associates and joint ventures		
Construction and installation contracts	1,538,034	1,766,890
Sales of motor vehicles and others	1,133,865	1,103,482
Fresh produce supply	506,699	1,131,515
Maintenance and other services	442,098	388,041
Food and beverage	139,011	95,026
Hotel operations	37,391	30,456
Sales and leasing of properties	4,447	29,890
	3,801,545	4,545,300
Total revenue in the consolidated income statement	5,537,763	5,012,651

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

	2016	2015
	HK\$'000	HK\$'000
Segment profit	563,445	1,830,487
Unallocated corporate expenses	(18,823)	(24,698)
Finance income	23,646	19,315
Finance costs	(105,156)	(114,626)
Profit before taxation	463,112	1,710,478

Assets and liabilities

	Construction and engineering HK\$'000	Insurance and investment HK\$'000	Property HK\$'000	Food and beverage HK\$'000	Others HK\$'000	Total HK\$'000
At 31 March 2016						
ASSETS						
Segment assets	1,852,348	1,234,580	9,784,395	126,133	649,017	13,646,473
Included in segment assets are:						
Interests in associates	469,955	–	2,294	97,220	351,601	921,070
Interests in joint ventures	11,755	–	508,950	–	–	520,705
Amounts due from associates	18,072	–	–	–	2	18,074
Amount due from a joint venture	59	–	–	–	–	59
Additions to non-current assets (note)	15,442	153	936,088	30,092	3,266	985,041
LIABILITIES						
Segment liabilities	1,611,548	552,670	584,548	470	57,827	2,807,063
Included in segment liabilities are:						
Amount due to an associate	–	–	240	–	–	240
Amount to a joint venture	–	–	53,230	–	–	53,230
At 31 March 2015						
ASSETS						
Segment assets	1,551,076	1,308,137	10,822,428	332,455	809,834	14,823,930
Included in segment assets are:						
Interests in associates	454,787	–	30,732	44,722	468,239	998,480
Interests in joint ventures	11,696	–	1,498,436	–	–	1,510,132
Amounts due from associates	10,102	–	915	–	281	11,298
Amount due from a joint venture	50	–	–	–	–	50
Additions to non-current assets (note)	15,055	97	100,858	41,604	5,194	162,808
LIABILITIES						
Segment liabilities	1,424,080	629,723	845,603	82,222	71,018	3,052,646
Included in segment liabilities is:						
Amounts due to associates	–	–	29,400	285	–	29,685

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

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

	2016 HK\$'000	2015 HK\$'000
Segment assets	13,646,473	14,823,930
Prepaid tax	6,834	6,492
Unallocated bank balances and cash	838,810	473,574
Deferred tax assets	18,547	16,255
Other unallocated assets	9,029	8,929
Total assets	14,519,693	15,329,180
Segment liabilities	2,807,063	3,052,646
Current income tax liabilities	62,964	60,808
Bank borrowings	3,112,536	3,528,128
Deferred tax liabilities	279,222	263,211
Other unallocated liabilities	19,653	25,638
Total liabilities	6,281,438	6,930,431

Geographical information

The Group's operations in construction and engineering business are mainly located in Hong Kong, Mainland China, Macau and Australia. Insurance and investment business is mainly conducted in Hong Kong. Property business is 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, Macau and Australia. Other businesses are mainly carried out in Hong Kong, US, Canada and Thailand.

The associates' and joint ventures' operations in construction and engineering business are mainly located in Hong Kong, Mainland China, Macau and Singapore. Property business is mainly carried out in Hong Kong and Mainland China. Food and beverage business is carried out in Hong Kong and Mainland China. Other businesses are carried out in Mainland China and Australia.

	Segment revenue by geographical areas							
	Company and Associates		2016		Company and Associates		2015	
	subsidiaries HK\$'000	and joint ventures HK\$'000	Total HK\$'000	%	subsidiaries HK\$'000	and joint ventures HK\$'000	Total HK\$'000	%
Hong Kong	2,947,593	551,792 ¹	3,499,385	38	2,411,245	413,802 ¹	2,825,047	30
Mainland China	663,680	2,415,707	3,079,387	33	73,887	2,593,846	2,667,733	28
Macau	680,185	49,407	729,592	8	1,267,832	67,101	1,334,933	14
Australia	195,751	506,699	702,450	7	164,653	1,131,515	1,296,168	13
US	633,077	–	633,077	7	620,784	–	620,784	6
Canada	359,731	–	359,731	4	397,473	–	397,473	4
Singapore	12,594	267,403	279,997	3	13,318	322,954	336,272	4
Thailand	34,553	–	34,553	–	53,455	–	53,455	1
Others	10,599	487	11,086	–	10,004	537	10,541	–
	5,537,763	3,791,495	9,329,258	100	5,012,651	4,529,755	9,542,406	100

¹ The proportionate revenue from a joint venture is eliminated.

The Group maintains a healthy and balanced portfolio of customers. For the year ended 31 March 2016, HK\$665,729,000 (2015: HK\$668,198,000) was derived from a single external customer in construction and engineering segment and accounted for more than 10% of the total revenue of the Group.

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

	Non-current assets	
	2016	2015
	HK\$'000	HK\$'000
Hong Kong	3,533,080	3,610,900
Mainland China	1,940,771	1,653,968
US	1,252,701	1,278,834
Singapore	472,632	481,684
Canada	169,062	172,022
Thailand	9,512	13,147
Macau	2,238	22,828
Australia	263	10,584
Others	7,731	6,691
	<u>7,387,990</u>	<u>7,250,658</u>
4 Revenue		
	2016	2015
	HK\$'000	HK\$'000
Revenue represents amounts received and receivable from:		
Construction and installation contracts	2,517,064	2,395,785
Sales and leasing of properties	812,704	218,216
Sale of information technology equipment, motor vehicles and others	709,889	744,305
Senior housing operations	528,152	505,659
Food and beverage	458,948	605,346
Warehouse and logistics services	199,251	187,151
Maintenance and property management services	174,334	157,542
Insurance premium	51,904	108,214
Hotel operations	40,794	37,969
Dividend income from investments	22,687	32,731
Interest income from investments	15,933	13,225
Leasing of vehicles and equipment	6,103	6,508
	<u>5,537,763</u>	<u>5,012,651</u>
5 Other income, net		
	2016	2015
	HK\$'000	HK\$'000
(Loss)/gain on investments at fair value through profit or loss		
– held-for-trading	(23,258)	19,547
(Loss)/gain on derivative financial instruments	(1,569)	15,977
Other investment income	11,359	6,158
Commission income	8,404	9,068
Marketing and promotion income	4,830	5,024
Sales and marketing services income from an associate	26,037	24,651
Interest income from an associate	–	37,866
Management fee income from associates and joint ventures	24,478	26,315
Others	13,129	10,497
	<u>63,410</u>	<u>155,103</u>

6 Other (losses)/gains, net

	2016	2015
	HK\$'000	HK\$'000
Increase in fair value of investment properties	31,997	193,312
Gain on disposal of an investment property	52	642
Loss on disposals of property, plant and equipment	(188)	(368)
(Loss)/gain on disposals of		
– other subsidiaries	(97)	16,819
– Peak Gain Limited (note 15(d))	–	1,247,689
Loss of disposals of associates	(147)	–
Gain/(loss) on disposal of available-for-sale investments	12	(49)
Impairment loss on property, plant and equipment	–	(3,452)
Impairment loss on amount due from an associate	(118,832)	(66,831)
Impairment loss on amounts due from joint ventures	–	(153,874)
Impairment loss on goodwill	(4,656)	–
Impairment loss on available-for-sale investments	(17,160)	(210,386)
Impairment loss on trade and other debtors	(8,644)	(31,835)
Exchange loss	(13,179)	(34,618)
	<u>(130,842)</u>	<u>957,049</u>

7 Finance costs, net

	2016	2015
	HK\$'000	HK\$'000
Interest expenses on bank overdrafts and bank borrowings	114,252	121,093
Less: Amounts capitalised to properties under development (note)	(9,096)	(6,467)
	<u>105,156</u>	<u>114,626</u>
Less: Interest income from bank deposits	(23,646)	(19,315)
	<u>81,510</u>	<u>95,311</u>

Note: The capitalisation rate applied to funds borrowed and used for the development of properties was between 4.6% and 5.9% per annum (2015: 5.9%).

8 Profit before taxation

	2016 HK\$'000	2015 HK\$'000
Profit before taxation has been arrived at after charging the following:		
Depreciation of property, plant and equipment	106,361	110,790
Less: Amount capitalised to contract work	(2,166)	(1,896)
	104,195	108,894
Staff costs	1,079,220	1,045,896
Less: Amount capitalised to contract work	(201,715)	(145,504)
	877,505	900,392
Operating lease payments in respect of leasing of		
– premises		
– under minimum lease payments	105,407	96,544
– under contingent rent	5,439	5,697
– equipment	3,789	3,435
	114,635	105,676
Auditors' remuneration		
– audit services	11,239	11,307
– non-audit services	2,144	5,655
– under/(over)-provision in prior years	154	(580)
	13,537	16,382
Amortisation of other intangible assets	2,619	5,272
and crediting the followings:		
Write back of inventories to net realisable value	1,839	2,126
Gross rental income of HK\$147,291,000 (2015: HK\$148,716,000) from properties less direct operating expenses	132,501	139,352

9 Income tax expenses

	2016 HK\$'000	2015 HK\$'000
Current tax		
Hong Kong	55,394	66,585
Mainland China and overseas	28,188	24,164
Over-provision in prior years	(770)	(1,885)
	82,812	88,864
Deferred tax		
Origination and reversal of temporary differences	20,154	31,291
	102,966	120,155

Hong Kong profits tax is calculated at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits. Taxation on Mainland China and overseas profits 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\$315,056,000 (2015: HK\$1,537,162,000) by the weighted average number of 300,801,000 (2015: 294,897,000) ordinary shares in issue during the year ended 31 March 2016.

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares. As at 31 March 2016, the Group had potential ordinary shares in an associate, which were issuable upon exercise of share option being granted. There was no potential dilutive effect from such share option held during the year. As at 31 March 2016 and 2015, associates of the Group had potential ordinary shares which were issuable upon exercise of share options granted. There was no potential dilutive effect from such share options during both years.

11 Dividends

	2016 HK\$'000	2015 HK\$'000
Interim dividend of HK\$0.20 (2015: HK\$0.20) per share paid	60,386	59,409
Final dividend of HK\$0.50 (2015: HK\$0.50) per share proposed	150,964	149,995
No special dividend (2015: HK\$0.50) per share proposed	—	149,995
	<u>211,350</u>	<u>359,399</u>

In respect of the dividends paid during the year ended 31 March 2016, HK\$26,390,000 was paid in form of shares under the Company's scrip dividend schemes in respect of the special and final dividends for the year ended 31 March 2015. In respect of the dividends paid during the year ended 31 March 2015, HK\$39,157,000 and HK\$52,743,000 were paid in form of shares under the Company's scrip dividend schemes in respect of the interim dividend for the year ended 31 March 2015 and the final dividend for the year ended 31 March 2014 respectively.

Final dividend of HK\$0.50 per share totaling HK\$150,964,000 has been proposed by the Directors 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 2017.

12 Debtors, deposits and prepayments

	2016 HK\$'000	2015 HK\$'000
Trade debtors	641,104	669,863
Less: Provision for impairment	<u>(27,099)</u>	<u>(24,686)</u>
Trade debtors, net	<u>614,005</u>	<u>645,177</u>
Retention receivables	309,785	262,502
Less: Provision for impairment	<u>(33,570)</u>	<u>(33,570)</u>
Retention receivables, net	<u>276,215</u>	<u>228,932</u>
Other debtors, deposits and prepayments	<u>197,267</u>	<u>361,617</u>
	<u>1,087,487</u>	<u>1,235,726</u>

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

The ageing analysis of trade debtors, net is as follows:

	2016 HK\$'000	2015 HK\$'000
0 – 60 days	535,860	501,743
61 – 90 days	22,395	38,642
Over 90 days	<u>55,750</u>	<u>104,792</u>
	<u>614,005</u>	<u>645,177</u>

13 Creditors, bills payable, deposits and accruals

	2016 HK\$'000	2015 HK\$'000
Trade creditors and bills payable	211,982	249,154
Retention payables	151,978	113,679
Deposits received	55,357	649,585
Accrued contract costs	422,302	84,221
Other creditors and accruals	<u>456,118</u>	<u>360,058</u>
	<u>1,297,737</u>	<u>1,456,697</u>

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

	2016 HK\$'000	2015 HK\$'000
0 – 60 days	175,503	223,334
61 – 90 days	17,192	9,502
Over 90 days	<u>19,287</u>	<u>16,318</u>
	<u>211,982</u>	<u>249,154</u>

14 Share capital

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$1.25 each		
Authorised:		
At 1 April 2014, 31 March 2015 and 31 March 2016	540,000,000	675,000
Issued and fully paid:		
At 1 April 2015	299,990,835	374,989
Issue of shares under scrip dividend schemes	1,937,605	2,422
At 31 March 2016	301,928,440	377,411
At 1 April 2014	292,874,003	366,093
Issue of shares under scrip dividend schemes	7,116,832	8,896
At 31 March 2015	299,990,835	374,989

15 Acquisition and disposal of businesses

(a) Deemed disposal of interest in Cafe Deco Holdings Limited (“Cafe Deco”)

Pursuant to the subscription agreement dated 11 December 2015, Cafe Deco agreed to allot and issue the shares to the third parties. Upon completion, the equity interest of Cafe Deco held by the Group was diluted from 60% to 25.28% and no longer be an indirect non wholly-owned subsidiary and become an associate of the Group.

	HK\$'000
Fair value of 25.28% equity interest of Cafe Deco	48,495
Less: net assets disposed of:	
Property, plant and equipment	83,655
Goodwill	57,247
Other intangible assets	11,619
Interest in an associate	55
Other non-current assets	14,802
Amount due from an associate	1,160
Inventories	11,738
Debtors, deposits and prepayments	49,793
Bank balances and cash	24,563
Creditors, deposits and accruals	(80,351)
Deferred income	(3,908)
Bank borrowings	(80,857)
Current income tax liabilities	(1,541)
Deferred tax liabilities	(453)
Non-controlling interests	(42,270)
Capital reserve released upon disposal	1,703
Other assets revaluation reserve released upon disposal	(322)
Exchange fluctuation reserve released upon disposal	1,862
	48,495
Gain on disposal	—
Net cash outflow arising from the disposal:	
Bank balances and cash	(24,563)

(b) Acquisition of 100% equity interest in Dolce Field Limited (“Dolce Field”)

Pursuant to the agreements dated 20 March 2015, the Group agreed to purchase 100% equity interest in Dolce Field, the immediate holding company of 51% equity interest in Chengdu Chevalier Property Development Company Limited (“CCPD”, 成都其士房地產發展有限公司), at a consideration of approximately HK\$346,563,000, which represents the cost of share capital and amount due to the Group. CCPD was a company established in the Mainland China and owned as 49% joint venture by the Group as of 31 March 2015. The transaction was completed in April 2015 and Dolce Field became a wholly-owned subsidiary of the Group since then.

The following table summarised the consideration paid and the amounts of the assets acquired and liabilities assumed recognised as at the acquisition date:

	HK\$'000
Total consideration satisfied by:	
Amount due from a joint venture	346,563
Interest originally held by the Group	174,213
	<hr/>
Fair values of net assets acquired (as shown below)	520,776
	<hr/> <hr/>

	HK\$'000
Assets acquired and liabilities assumed as follows:	
Property, plant and equipment	4,432
Properties under development	546,750
Other non-current assets	2,750
Inventories	637
Properties for sale	869,325
Debtors, deposits and prepayments	15,166
Bank balances and cash	2,304
Amount due to a joint venture	(166,701)
Creditors, deposits and accruals	(612,010)
Bank borrowings	(141,877)
	<hr/>
Total identifiable net assets	520,776
	<hr/> <hr/>
Net cash inflow arising from the acquisition:	
Bank balances and cash	2,304
	<hr/> <hr/>

(c) Acquisition of 11% equity interest in Mass Harvest Limited (“Mass Harvest”)

Pursuant to the agreements dated 20 March 2015, the Group agreed to purchase 11% equity interest in Mass Harvest, the immediate holding company of Chengdu Century Jinjiang International Hotel Company Limited (成都世代錦江國際酒店有限公司) at a consideration of approximately HK\$26,696,000, which represents the cost of share capital and amount due to the Group. Mass Harvest was a company established in the British Virgin Islands and owned as 49% joint venture by the Group as at 31 March 2015. The transaction was completed in April 2015 and Mass Harvest remained as a joint venture of the Group.

(d) Disposal of Peak Gain Limited

Pursuant to the sale and purchase agreement dated 11 December 2014, the Group disposed of Peak Gain Limited, a wholly-owned subsidiary of the Company, to an independent third party on 31 March 2015, at an aggregate consideration of approximately HK\$1,413,127,000. Peak Gain Limited is principally engaged in investment holding and its material asset is a property located at New Kowloon Inland Lot. No. 5972.

Pursuant to the tenancy agreement dated 31 March 2015, the independent third party had also agreed to lease the property back to the Group for a period of three years from the completion date at a monthly rental of HK\$2,100,000 for the first year and HK\$3,200,000 for each of the second and third years. Management considered the monthly rental under lease was determined based on arm's length transaction with the new buyer and with reference to prevailing market rental of similar properties nearby.

	HK\$'000
Total consideration satisfied by:	
Cash received	1,413,127
Less: Professional fees and other expenses	<u>(14,015)</u>
	1,399,112

Less: net assets disposed of:	
Investment properties	121,296
Property, plant and equipment	70,518
Deposits and prepayments	138
Deferred tax liabilities	(13,496)
Other assets revaluation reserve released upon disposal	<u>(27,033)</u>
	151,423

Gain on disposal (note 6)	<u><u>1,247,689</u></u>
Net cash inflow arising from the disposal:	
Cash consideration received	1,413,127
Professional fees and other expenses	<u>(14,015)</u>
	<u><u>1,399,112</u></u>

16 Contingent liabilities

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

	2016 HK\$'000	2015 HK\$'000
Banking facilities granted to associates	14,081	23,320
Banking facilities granted to a joint venture	184,232	154,939
Banking facilities granted to a joint venture partner	–	142,800
Guarantees given to banks and housing retirement fund management centers for mortgage facilities granted to certain buyers of properties	<u>348,964</u>	<u>316,025</u>
	<u><u>547,277</u></u>	<u><u>637,084</u></u>

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

	2016 HK\$'000	2015 HK\$'000
Guarantees given to banks for mortgage facilities granted to certain buyers of the joint ventures' properties	<u>4,208</u>	<u>6,408</u>

17 Commitment

The Group had commitment as follows:

	2016 HK\$'000	2015 HK\$'000
Contracted but not provided for in the consolidated financial statements in respect of		
– property development projects	637,158	255,272
– acquisition of plant and equipment	1,311	5,277
– acquisition of an investment property	<u>5,970</u>	<u>–</u>
	<u><u>644,439</u></u>	<u><u>260,549</u></u>

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

	2016 HK\$'000	2015 HK\$'000
Contracted but not provided for	<u><u>307,619</u></u>	<u><u>515,698</u></u>

DIVIDEND

The Board of Directors recommends the payment of a final dividend of HK\$0.50 (2015: a special dividend of HK\$0.50 and a final dividend of HK\$0.50) per share payable in cash to shareholders whose names appear on the Register of Members of the Company on Thursday, 15 September 2016. Together with the interim dividend of HK\$0.20 (2015: HK\$0.20) per share paid on Wednesday, 23 December 2015, the total dividends for the year amounted to HK\$0.70 (2015: HK\$1.20) per share.

Subject to the approval by shareholders at the forthcoming annual general meeting of the Company to be held on Friday, 2 September 2016 (the “AGM”), the proposed final dividend will be payable in cash to shareholders on or about Friday, 23 September 2016.

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 Tuesday, 30 August 2016 to Friday, 2 September 2016, 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 Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 29 August 2016.

For determining entitlement to the proposed final dividend (subject to the passing of an ordinary resolution by the shareholders of the Company at the AGM), the Register of Members of the Company will be closed from Monday, 12 September 2016 to Thursday, 15 September 2016, 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, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 9 September 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group’s consolidated revenue was HK\$5,538 million (2015: HK\$5,013 million), representing an increase of 10.5% when compared with the last financial year. Taking into account its share of revenue in its associates and joint ventures, total segment revenue was HK\$9,329 million (2015: HK\$9,542 million), representing a decrease of 2.2%. The increase in the Group’s consolidated revenue was mainly due to strong performance of the property segment. Recognised contribution from the sales of residential properties in Changchun, offset by the absence of the one-off gain from the sale of a property through the disposal of a wholly-owned subsidiary and by further impairment against Australia’s fresh produce supply business, caused profit for the year ended 31 March 2016 to decrease to HK\$360 million, comparing to HK\$1,590 million in 2014/15. Profit attributable to the Company’s equity holders for the year ended 31 March 2016 reduced to HK\$315 million (2015: HK\$1,537 million), and earnings per share to HK\$1.05 (2015: HK\$5.21).

CONSTRUCTION AND ENGINEERING

The construction and engineering segment's revenue for the year ended 31 March 2016 recorded a slight decrease to HK\$4,658 million (2015: HK\$4,684 million). The profit of this segment also decreased by 8.8% from HK\$318 million in 2014/15 to HK\$290 million in 2015/16.

Benefiting from the buoyant construction industry in Hong Kong, additional building construction contracts were secured during the financial year. In addition, the building construction division has implemented cost control measures and enhanced operation efficiency to cope with upcoming challenges in the construction industry.

Though the electrical and mechanical engineering business maintained steady margin in Macau, in view of the slowdown of Macau's economy and the completion of several sizable projects in Macau, the division has shifted its focus back to Hong Kong.

The aluminium windows and curtain walls division recorded a steady growth in the profit contribution during the year due to the sustainable development of the construction industry in Hong Kong. The Group is optimistic about the prospects of this division in the coming year.

As a result of the supply of kitchen cabinets to renowned property developers in Hong Kong, installation of glass reinforced plastic water tanks for the public and private sectors and renovation of China Light & Power sub-stations, the building supplies division recorded a heartening result in its business during the year.

The reduction in the number of HKSAR Government projects in the sewage and water segment during the financial year has led to fierce market competition. Despite this, the environmental engineering division continued to dedicate and commit the team to explore opportunities in different environmental projects such as the integrated waste management facilities project.

In light of the HKSAR Government's commitment to increase housing supply and its policy in the revitalisation of industrial buildings, the lift and escalator division anticipated a continuous upward trend in the demand for energy efficient and resource saving lift and escalator products. The division will continue to explore and seize opportunities in this business.

The construction and engineering industry has suffered from a chronic skilled labour shortage due to an ageing population and reluctance of the younger generation to join the field. In addition, the market has had to cope with several ongoing mega infrastructure projects and higher material costs. The Group has taken proactive sweeping measures to attract and cultivate talents to tackle the shortage of construction professional and increase in costs so as to ensure the quality of services offered.

As at 31 March 2016, the total values of all outstanding construction and engineering contracts of the Group's subsidiaries amounted to HK\$5,735 million. Major contracts include:

1. Construction of the property development at Long Ping Station, Yuen Long, New Territories;
2. Construction of a Government complex at Tuen Mun, New Territories;
3. Electrical and mechanical works for the Wynn Palace in Macau;
4. Expansion of Tai Po Water Treatment Works Stream II, Tai Po, New Territories; and
5. Design, supply and installation of curtain walls at Lot. 1949, D.D. 221, Sha Kok Mei, Sai Kung, New Territories.

INSURANCE AND INVESTMENT

Revenue for the insurance and investment segment dropped by 41.2% from HK\$154 million in 2014/15 to HK\$90.5 million in 2015/16, mainly due to less dividends received from securities investment. Segment profit also dropped from HK\$50.3 million to HK\$16.2 million when compared with last year. The decrease in profit was caused by the loss in fair values of financial instruments. The most notable contributions to revenue came from the employee compensation and property insurance businesses.

The vibrant construction market contributed significantly to the number of large scale infrastructure projects, which led to steady growth of the employee compensation insurance business in this segment. Our good reputation, reasonable pricing and efficient customer service enabled our property insurance division to secure new property insurance business from insurance brokers and building contractors.

In light of the volatile and competitive market in Hong Kong, the Group has adopted a prudent underwriting approach to strengthen its competitiveness whilst maintaining sustainable growth.

The Group's investment in the insurance business in Vietnam, namely Bao Minh Insurance Corporation, continued to perform well during the year under review. Given the strategic relationship with Bao Minh Insurance Corporation, the Group continues to seek opportunities in further developing its business in Vietnam so as to reap the benefits from Vietnam's rapid economic growth.

Taking into account the continuing volatility of the global financial market in the coming financial year, the Group will continue to adopt a proactive approach cautiously in the management of the investment portfolio in such fast-changing and challenging environment.

PROPERTY

During the year under review, the property segment's revenue increased by 56.7% from HK\$1,111 million in 2014/15 to HK\$1,741 million in 2015/16. Segment profit recorded a significant drop from HK\$1,576 million in 2014/15 to HK\$403 million in 2015/16, such drop was primarily due to the absence of the one-off gain of HK\$1,248 million from the sale of a property through the disposal of a wholly-owned subsidiary. Although the PRC government targets a GDP growth rate of 6.5% or above in the next 5 years, a noticeable slow down with the economic growth in Mainland China in the last quarter of the financial year under review exerted pressure at an increased magnitude, and downward pressure on growth remain amid the ongoing adjustments in the Mainland China property market. Moreover, the de-stocking policy implemented by real estate developers in the Mainland also posed significant pressure on the Group's property business in the Mainland. During the year under review, sales remained slow with Beijing's "My Villa" and Chengdu's "Chateau Ermitas". However, the sales performance of Changchun's "Chevalier City", which was classified as "affordable housing", was positive due to strong demand for residential housing. Pre-sales of residential units in Phase II of "Chevalier City" was launched in the first quarter of the 2016/17 financial year.

City Hub, a joint development project which is held by a 50-50 joint venture of the Group for the development of the site held by Urban Renewal Authority in To Kwa Wan, has submitted application for sale and is expected to be completed in 2017. The Group and the joint investor will closely monitor the local property market and will commence the pre-sale after obtaining the consent from the HKSAR Government.

The property management division provided comprehensive and high quality property management services to a wide range of customers with a portfolio of over 30 million sq. ft. comprising of commercial, industrial and residential buildings, shopping arcades, car parks and other communal facilities. Given the increasing trend in wages and keen industry competition, the management has taken a conservative approach in cost control and with new contract bids.

The cold storage and logistics business has been working in line with key account clients by providing additional quality in-store service and all-in-one total logistics reefer service solution. Performance of this business remained stable throughout the year under review.

The performance of the US senior housing business was mainly affected by one-off re-financing fees incurred during the year. The Group currently owns 23 senior housing facilities providing 1,017 assisted living beds, 733 memory care beds and 119 skilled nursing beds to serve different needs of the aged population. Subsequent to year end, in order to capture current low-interest-rate environment, the Group completed a refinancing exercise for three properties located in Oregon. Given the mega trend of ageing population, the Group is optimistic about the senior housing business and will continue to work closely with the operators to enhance the value of its existing properties and make further acquisitions as opportunities arise.

FOOD AND BEVERAGE

As a result of the dilution of interest in and deemed disposal of Cafe Deco Group in Decembes 2015, the Group held 25.28% interest in Cafe Deco Group as at 31 March 2016. Segment revenue of the food and beverage decreased by 14.6% to HK\$598 million in 2015/16 from HK\$700 million in 2014/15 and segment profit decreased from a profit of HK\$25.8 million in 2014/15 to a loss of HK\$5.0 million in 2015/16.

During the year, the outlets under Cafe Deco Group in general recorded a drop in same store sales compared to the same period last year whilst competition remained stiff. The severe drag from the protracted slowdown in inbound tourism, weak consumption sentiment, keen competition within the sector and increasing operating costs continued to be challenges for Hong Kong's food and beverage business.

OTHERS

Segment revenue dropped by 22.5%, from HK\$2,893 million in 2014/15 to HK\$2,242 million in 2015/16. Compared with the last financial year, segment result slightly dropped further from a loss of HK\$140 million to a loss of HK\$141 million. In Chengdu, a total of 13 4S shops are operated by a group of associates, providing 8 import and domestic car brands. Over 16,000 units of cars were sold and the turnover reached RMB2,300 million during the year. However, despite such high sales volume recorded, keen competition led to a thin profit margin.

The Group faced a slight drop in its food trading business in the US, which was caused by a slow retail market. The Group will continue to search for high quality food products in Asia in order to stimulate the needs of its existing customers and to expand its customer base in the US.

The fresh produce supply business in Australia, which was operated by the Group's associates, remained at a substantial loss during the year. In view of the adverse situation, the Group had already made full provision in the interim results.

FINANCIAL REVIEW

As at 31 March 2016, the Group's net assets attributable to equity holders of the Company amounted to HK\$7,750 million (2015: HK\$7,889 million), a decrease of HK\$139 million or 1.8% when compared with 2015. Such slight decrease mainly resulted from the profit attributable to equity holders of the Company of HK\$315 million, offset by the payment of dividends (net of issue of shares under scrip dividend schemes) of HK\$334 million and exchange difference on translation of operations of overseas subsidiaries, associates and joint ventures of HK\$137 million during the year ended 31 March 2016.

As at 31 March 2016, the Group's bank borrowings decreased to HK\$3,113 million (2015: HK\$3,528 million) due to accelerated settlement of loans by strong bank balances and cash amounted to HK\$2,009 million (2015: HK\$2,663 million). 90.8% and 8.3% (2015: 96.7% and 2.7%) of bank borrowings were denominated in Hong Kong and US dollars, and Renminbi respectively.

The Group's bank borrowings in respect of the portion due within one year significantly increased to 30.9% as at 31 March 2016 which was relatively high in ratio comparing to 16.7% as at 31 March 2015.

EMPLOYEES AND REMUNERATION POLICIES

The Group employed approximately 3,100 full-time staff under its subsidiaries globally as at 31 March 2016. Total staff costs amounted to HK\$1,079 million for the year ended 31 March 2016. 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 PRACTICES

In the opinion of the Directors, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31 March 2016, 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. Dr Chow Ming Kuen, Joseph, an Independent Non-Executive Director was unable to attend the annual general meeting of the Company held on 27 August 2015 due to an oversea commitment.

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 of 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 reviewed with the management the accounting policies and practices adopted by the Group and discussed auditing, risk management, internal controls systems of the Group and financial reporting matters including the audited consolidated financial statements of the Group for the year ended 31 March 2016. They also reviewed and approved the engagement of external auditors for providing non-audit services, the remuneration in respect of audit and non-audit services provided by external auditors, risk management and internal control systems and the effectiveness of the internal audit function.

PUBLICATION OF ANNUAL RESULTS ON THE STOCK EXCHANGE’S WEBSITE

The annual results announcement of the Company for the year ended 31 March 2016 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 2016 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 offer my sincerest gratitude to our shareholders, business partners and customers for their loyalty, support and confidence through the year. I would also like to thank our employees for their hard work.

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

Hong Kong, 27 June 2016

As at the date of this announcement, the Board of the Company comprises Dr Chow Yei Ching (Co-Chairman), Messrs Kuok Hoi Sang (Co-Chairman and Managing Director), Tam Kwok Wing (Deputy Managing Director), 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; Dr Ko Chan Gock, William and Mr Chow Vee Tsung, Oscar as Non-Executive Directors.

* For identification purpose only