



## **CHEVALIER PACIFIC HOLDINGS LIMITED**

**其士泛亞控股有限公司\***

(incorporated in Bermuda with limited liability)

**(Stock code: 508)**

### **PROFIT WARNING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the unaudited interim results of the Group for the six-month period ended 30th September 2008 would experience a significant decline in profit and incur a loss as compared to a profit for the corresponding period ended 30th September 2007.

The information in this announcement is only based on the preliminary assessment of the management accounts of the Group and such information has not been audited or reviewed by the Company's auditors. The unaudited interim results of the Group for the six-month period ended 30th September 2008 are expected to be published in mid December 2008.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Chevalier Pacific Holdings Limited (the "Company" together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and the potential investors that based on preliminary assessment of the management accounts of the Group and information currently available to the Company, it is expected that the Group will record a loss of approximately HK\$14.3 million of investments in securities segment arising from the realised and unrealised loss in the fair value changes in the listed and unlisted investments held for trading and investments available-for-sale for the six-month period ended 30th September 2008 (investments in securities segment result for the six-month period ended 30th September 2007: profit of HK\$5.3 million; for the year ended 31st March 2008: segment profit of HK\$4.4 million) as a result of the recent rapid downturn in the financial market.

The Board believes that the investment policy adopted by the Company has been conservative and that the Group holds a balanced investment portfolio comprising equity, fixed income and structured deposits. As disclosed in the Annual Report for the year ended 31st March 2008, the Group's investment portfolio was approximately HK\$117.6 million. Subsequent to 31st March 2008, in response to the increasing instability of the financial market, the Group has taken proactive acts to gradually reduce and rebalance the portfolio so as to lower equity holding in exchange for conservative debt securities to minimize the exposure. As at 30th September 2008, the book value of the total investments held by the Group that were marked to market had a total balance of approximately HK\$111 million which consisted of exchange-traded funds of HK\$4.5 million, hedge fund of HK\$13.5 million, private equity and venture capital funds of HK\$23 million, principal protected structured deposits of HK\$15 million, debt securities of HK\$55 million. Most of the principal protected structured deposits and debt securities are investment-graded securities. As a result, there was no holding of listed equity in the portfolio as of 30th September 2008. The Group will continue to reduce the portfolio size in view of the likely global economic recession. During the period ended 30th September 2008, the Company has no exposure in any equity accumulators and currency accumulators.

Based on the information available to the Board, the unaudited interim results of the Group for the six-month period ended 30th September 2008 would experience a significant decline in profit and incur a loss as compared to the profit of approximately HK\$11 million of the corresponding period ended 30th September 2007.

As the Company is still in the process of finalizing its interim results for the six-month period ended 30th September 2008, the information in this announcement is only based on the preliminary assessment of the management accounts of the Group and such information has not been audited or reviewed by the Company's auditors. The unaudited interim results of the Group for the six-month period ended 30th September 2008 is expected to be published in mid December 2008.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Chevalier Pacific Holdings Limited**  
**CHOW YEI CHING**  
*Chairman*

Hong Kong, 7th November, 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.*

\* *For identification purpose only*