



PRESS RELEASE

23 May 2005

**Chevalier iTech Completes Acquisition of Pacific Coffee
Taps Promising China Market
Expands into Fine Lifestyle Foods & Beverages Business
in Asia Pacific**

(Hong Kong - May 23, 2005) Chevalier iTech Holdings Limited, ("CiTL" or the "Company") (stock code: 508), a subsidiary of Chevalier International Holdings Limited, ("CIHL" or the "Group") (stock code: 25), today announced that it has completed the acquisition of the entire issued share capital of Pacific Coffee (Holdings) Limited ("Pacific Coffee"). The cash consideration for the purchase is HK\$205 million financed by the Company's internal resources.

Mr. Oscar Chow, Executive Director of CiTL, said, "We are pleased to complete the acquisition of Pacific Coffee, one of the leading coffee houses in Hong Kong. Benefiting from the huge and growing global demand for quality lifestyle foods and beverages and its goodwill, Pacific Coffee has achieved impressive growth over the years and it enjoys popularity in the market. With the market environment working in its favour, we believe Pacific Coffee will further expand and hence significantly boost our revenue."

Pacific Coffee established its first outlet in 1993. It now operates 39 retail outlets in Hong Kong and five in Singapore. Pacific Coffee sells high quality, premium roasted whole bean coffees, specialty coffees and cold beverages, baked goods and pastries, and coffee-related hardware and supplies. It also sells its branded products to wholesale accounts and provides coffee service to corporate customers including banks, airlines, clubs and multinational companies. In addition, the Pacific Coffee Group is engaged in the wholesale of selected coffee beans in Hong Kong, Macau, the PRC and Singapore.

"Looking forward, apart from opening new shops in Hong Kong and Singapore to enlarge our share in the specialty coffee market, we will continue to keep a close eye on the specialty coffee demand in other potential markets in the Asia Pacific region, especially China. To grasp arising opportunities, we plan to establish new shops in major cities in China and Macau. At the same time, we will continue to enhance the standard of our products to create exquisite coffee drinking experiences for our customers," Mr. Chow concluded.

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