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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)



**CHEVALIER PACIFIC
HOLDINGS LIMITED**
其士泛亞控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock code: 508)

JOINT ANNOUNCEMENT
DESPATCH OF CIRCULAR BY
CHEVALIER PACIFIC HOLDINGS LIMITED
AND
FINANCIAL INFORMATION RELATING TO SHARP RISE LIMITED

Reference is made to the joint announcement made by CIHL, CPHL and Wincon Capital Investment Limited on 12 July 2011 (the “Joint Announcement”) in relation to, among other things, the Asset Reorganisation. Capitalised terms used herein have the same meanings as defined in the Joint Announcement unless otherwise specified.

FINANCIAL INFORMATION OF THE SHARP RISE GROUP

As disclosed in the Joint Announcement, CIHL and CPHL entered into the Asset Reorganisation Agreement on 17 June 2011, pursuant to which CIHL has conditionally agreed to acquire and CPHL has conditionally agreed to sell the Sharp Rise Shares. Set out below are the audited financial information of the Sharp Rise Group as extracted from Note 43(a) as set out in section II of Appendix 1A to the CPHL’s circular dated 25 August 2011:

	For the year ended 31 March	
	2011	2010
	<i>HK\$’000</i>	<i>HK\$’000</i>
Continuing operations		
– Loss before taxation	(33,114)	(25,341)
– Loss after taxation	(35,219)	(25,705)
Discontinued operations		
– Profit for the year	197,505	3,011

The audited net assets (excluding non-controlling interests) of the Sharp Rise Group as at 31 March 2011 were approximately HK\$71.9 million.

Based on the consideration of HK\$246,000,000 receivable under the Asset Reorganisation Agreement, the audited net assets (excluding non-controlling interests) of the Sharp Rise Group of approximately HK\$71.9 million as at 31 March 2011, the recognition of non-controlling interests in net liabilities of the World Pointer Group Companies of approximately HK\$0.5 million as at 31 March 2011 and the capitalisation of the outstanding shareholder’s loan of the Sharp Rise Group of approximately HK\$173.4 million as at the date of the Asset Reorganisation Agreement, the CPHL Group is expected to record a

* For identification purpose only

gain of approximately HK\$1.3 million (comprising an estimated gain of approximately HK\$4.5 million recognised through reserves and an estimated loss of approximately HK\$3.2 million recognised in the consolidated income statement) from the Asset Reorganisation before taking into account the estimated expenses directly attributable to the Asset Reorganisation, assuming that the Asset Reorganisation Completion takes place on 31 March 2011. Based on the above and taking into account the estimated expenses of approximately HK\$2.0 million directly attributable to the Asset Reorganisation, the CPHL Group is expected to record a loss of approximately HK\$0.7 million (comprising an estimated gain of approximately HK\$4.5 million recognised through reserve and an estimated loss of approximately HK\$5.2 million recognised in the consolidated income statement) from the Asset Reorganisation, assuming that the Asset Reorganisation Completion takes place on 31 March 2011. CPHL Shareholders should note that the actual amount of gain or loss arising from the Asset Reorganisation will be determined based on the total consideration, adjustment to the carrying amount of the net assets of the Sharp Rise Group and the carrying amount of the net liabilities of the World Pointer Group Companies as at the date of Asset Reorganisation Completion, and the actual expenses directly attributable to the Asset Reorganisation. Accordingly, the actual amount of gain or loss arising from the Asset Reorganisation may be different from that disclosed above.

DESPATCH OF CIRCULAR BY CPHL

The CPHL Board announces that the circular of CPHL in relation to the Capital Reorganisation, the Special Distribution and the Asset Reorganisation has been despatched to the CPHL Shareholders on 25 August 2011. The above financial information of the Sharp Rise Group are contained in the aforesaid circular of CPHL.

By order of the board of directors
Chevalier International Holdings Limited
Chow Yei Ching
Chairman

By order of the board of directors
Chevalier Pacific Holdings Limited
Chow Yei Ching
Chairman

Hong Kong, 25 August 2011

As at the date of this joint announcement, the CIHL Board comprises Dr. CHOW Yei Ching (Chairman), Mr. KUOK Hoi Sang (Vice Chairman and Managing Director), Mr. TAM Kwok Wing (Deputy Managing Director), Mr. CHOW Vee Tsung, Oscar, Mr. HO Chung Leung and Mr. MA Chi Wing as executive CIHL Directors; Dr. CHOW Ming Kuen, Joseph, Mr. SUN Kai Dah, George and Mr. YANG Chuen Liang, Charles as independent non-executive CIHL Directors; and Dr. KO Chan Gock, William as non-executive CIHL Director.

As at the date of this joint announcement, the CPHL Board comprises Dr. CHOW Yei Ching (Chairman), Mr. CHOW Vee Tsung, Oscar (Managing Director), Mr. KUOK Hoi Sang, Miss Lily CHOW and Mr. CHANG Wan Lung, Robert as executive CPHL Directors; and Mr. WU King Cheong, Mr. LEUNG Kwong Kin and Mr. LAU Kai Shu, Frank as independent non-executive CPHL Directors.

All the CIHL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

All the CPHL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.