CHEVALIER INTERNATIONAL HOLDINGS LIMITED
（Chevalier International Holdings Limited）
(Incorporated in Bermuda with limited liability)
(Stock Code: 025)

DISCLOSEABLE TRANSACTIONS
RELATING TO THE ACQUISITION OF
THREE SENIORS HOUSING ASSETS IN THE US

THE ASSIGNMENTS
On 31 May 2011 (US time), Strategic Capital and each of Chevalier Laurelhurst, Chevalier Beaverton and Chevalier Gresham, the indirect wholly-owned subsidiaries of the Company, entered into the Laurelhurst Assignment Agreement, the Beaverton Assignment Agreement and the Gresham Assignment Agreement respectively, pursuant to which Strategic Capital has assigned to Chevalier Laurelhurst, Chevalier Beaverton and Chevalier Gresham all its rights and obligations respectively set out in the Laurelhurst Acquisition Agreement, the Beaverton Acquisition Agreement and the Gresham Acquisition Agreement at an aggregate consideration of US$3. Completion of the Assignments took place upon signing on 31 May 2011 (US time).

THE PROPOSED ACQUISITIONS
Upon completion of the Assignments on 31 May 2011 (US time), each of Chevalier Laurelhurst, Chevalier Beaverton and Chevalier Gresham has taken up the rights and obligations of Strategic Capital under the Laurelhurst Acquisition Agreement, the Beaverton Acquisition Agreement and the Gresham Acquisition Agreement respectively, pursuant to which each of the Vendors has conditionally agreed to sell and Strategic Capital has conditionally agreed to acquire the Properties at an aggregate consideration of US$34,896,000 (equivalent to approximately HK$272.2 million).

The Properties are located at Oregon, the US with an aggregate gross floor area of approximately 208,500 sq. ft. and are currently being operated as seniors housing communities. For the year ended 31 December 2010, revenue and the Net Operating Income generated from the Properties amounted to approximately US$20.7 million (equivalent to approximately HK$161.5 million) and approximately US$3.6 million (equivalent to approximately HK$28.1 million) respectively. The capitalization rate as calculated with reference to the Net Operating Income generated from the Properties for the year ended 31 December 2010 and the consideration thereof under the Acquisition Agreements is approximately 10.4%.

COMPLETION OF THE PROPOSED ACQUISITIONS
Subject to the fulfillment or waiver (as the case may be) of the conditions precedent set out in the paragraph headed “Conditions precedent” below, completion for each of the Proposed Acquisitions is expected to take place on Completion Date.

* For identification purpose only
LISTING RULES IMPLICATIONS

The Assignments and the Proposed Acquisitions constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

Reference is made to the announcement dated 23 May 2011 made jointly by the Company and Chevalier Pacific Holdings Limited regarding, among other things, possible acquisitions by the Company of land and property interests. The Board is pleased to announce that on 31 May 2011 (US time), Strategic Capital and each of Chevalier Laurelhurst, Chevalier Beaverton and Chevalier Gresham entered into the Laurelhurst Assignment Agreement, the Beaverton Assignment Agreement and the Gresham Assignment Agreement respectively. Upon completion of the Assignments on the same date, each of Chevalier Laurelhurst, Chevalier Beaverton and Chevalier Gresham has taken up all the rights and obligations of Strategic Capital respectively set out in the Laurelhurst Acquisition Agreement, the Beaverton Acquisition Agreement and the Gresham Acquisition Agreement in relation to the Proposed Acquisitions. Details of the said agreements are set out below.

THE ASSIGNMENT AGREEMENTS

Date

31 May 2011 (US time)

Parties

<table>
<thead>
<tr>
<th>Assignor</th>
<th>Assignee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laurelhurst Assignment Agreement</td>
<td>Strategic Capital Chevalier Laurelhurst</td>
</tr>
<tr>
<td>Beaverton Assignment Agreement</td>
<td>Strategic Capital Chevalier Beaverton</td>
</tr>
<tr>
<td>Gresham Assignment Agreement</td>
<td>Strategic Capital Chevalier Gresham</td>
</tr>
</tbody>
</table>

To the best of the Directors’ knowledge, information and belief after making reasonable enquiries, (i) Strategic Capital is principally engaged in private property investment; and (ii) Strategic Capital and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Subject of the Assignments

Under the Assignment Agreements, Strategic Capital has assigned all its rights and obligations set out in the Laurelhurst Acquisition Agreement, the Beaverton Acquisition Agreement and the Gresham Acquisition Agreement to Chevalier Laurelhurst, Chevalier Beaverton and Chevalier Gresham respectively. Further details on the Acquisition Agreements are set out in the paragraph headed “The Acquisition Agreements” below.

Consideration for the Assignments

The cash consideration for each of the Assignments respectively under the Laurelhurst Assignment Agreement, the Beaverton Assignment Agreement and the Gresham Assignment Agreement is US$1, which was arrived at after arm’s length negotiations between Strategic Capital and each of the Purchasers.
Completion of the Assignments

The Completion of the Assignments took place upon signing on 31 May 2011 (US time).

THE ACQUISITION AGREEMENTS

Set out below are the material terms of the Acquisition Agreements. Rights and obligations of Strategic Capital under the Acquisition Agreements as set out below have been taken up by Chevalier Laurelhurst, Chevalier Beaverton and Chevalier Gresham respectively upon completion of the Assignments on 31 May 2011 (US time).

Date

<table>
<thead>
<tr>
<th>Agreement</th>
<th>Date</th>
<th>Amendments and Supplements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laurelhurst Acquisition Agreement</td>
<td>24 February 2011</td>
<td>(as amended and supplemented on 8 April 2011, 29 April 2011, 13 May 2011 and 30 May 2011)</td>
</tr>
<tr>
<td>Beaverton Acquisition Agreement</td>
<td>4 March 2011</td>
<td>(as amended and supplemented on 8 April 2011, 29 April 2011, 13 May 2011 and 30 May 2011)</td>
</tr>
<tr>
<td>Gresham Acquisition Agreement</td>
<td>15 December 2010</td>
<td>(as amended and supplemented on 28 January 2011, 8 April 2011, 29 April 2011, 13 May 2011 and 30 May 2011)</td>
</tr>
</tbody>
</table>

Parties

<table>
<thead>
<tr>
<th>Agreement</th>
<th>Vendor</th>
<th>Purchaser</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laurelhurst Acquisition Agreement</td>
<td>Vendor L</td>
<td>Strategic Capital</td>
</tr>
<tr>
<td>Beaverton Acquisition Agreement</td>
<td>Vendor B</td>
<td>Strategic Capital</td>
</tr>
<tr>
<td>Gresham Acquisition Agreement</td>
<td>Vendor G</td>
<td>Strategic Capital</td>
</tr>
</tbody>
</table>

The Vendors are investment holdings companies incorporated in Oregon, the US. To the best of the Directors’ knowledge, information and belief after making reasonable enquiries, each of the Vendors and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Assets to be acquired

Assets to be acquired by Strategic Capital are the Properties, namely Laurelhurst Village, Beaverton Square and Gresham Square, which are located at Oregon, the US with an aggregate gross floor area of approximately 208,500 sq. ft. and are currently being operated as seniors housing communities. Details of the Properties are set out in the paragraph headed “Information on the Properties” below.
Consideration for the Properties

The consideration for Laurelhurst Village, Beaverton Square and Gresham Square amounts to US$23,500,000 (equivalent to approximately HK$183.3 million), US$6,525,000 (equivalent to approximately HK$50.9 million) and US$4,871,000 (equivalent to approximately HK$38.0 million) respectively, which shall be settled in the following manner:

(i) an aggregate cash deposit of US$150,000 (US$50,000 for each of the Properties) having been paid by Strategic Capital to the designated escrow agent;

(ii) 75% of each of the consideration payable by Strategic Capital by means of mortgage loan as set out below on or before Completion Date:

<table>
<thead>
<tr>
<th>Property</th>
<th>Approximate amount to be settled by mortgage loan (US$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laurelhurst Village</td>
<td>17.6</td>
</tr>
<tr>
<td>Beaverton Square</td>
<td>4.9</td>
</tr>
<tr>
<td>Gresham Square</td>
<td>3.7</td>
</tr>
<tr>
<td>Total</td>
<td>26.2</td>
</tr>
</tbody>
</table>

(iii) the balance of each of the consideration (subject to the adjustments) payable in cash by Strategic Capital to the designated escrow agent on or before the Completion Date. Certain amount as specified below shall be held back by the designated escrow agent as capital expenditures for the improvements and repairs of the Properties for three years and the remaining fund thereof after three years from the Completion Date shall be returned to each of the Vendors respectively;

<table>
<thead>
<tr>
<th>Property</th>
<th>Amount of consideration to be held by the designated escrow agent (US$’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laurelhurst Village</td>
<td>100.0</td>
</tr>
<tr>
<td>Beaverton Square</td>
<td>242.0</td>
</tr>
<tr>
<td>Gresham Square</td>
<td>215.7</td>
</tr>
<tr>
<td>Total</td>
<td>557.7</td>
</tr>
</tbody>
</table>

The consideration for each of the Properties was arrived at after arm’s length negotiations between Strategic Capital and each of the Vendors. The Directors are of the view that the aggregate consideration for each of the Assignments and the Proposed Acquisitions are fair and reasonable and is in the interest of the Shareholders as a whole having taken into account:

(i) the aggregate revenue of approximately US$20.7 million (equivalent to approximately HK$161.5 million) and the Net Operating Income of approximately US$3.6 million (equivalent to approximately HK$28.1 million) generated from the Properties for the year ended 31 December 2010;

(ii) the valuation of Laurelhurst Village, Beaverton Square and Gresham Square equivalent to approximately US$21.6 million (equivalent to HK$168.5 million), US$5.9 million (equivalent to HK$46.0 million) and US$3.5 million (equivalent to HK$27.3 million) as of 27 July 2010, 25 August 2010 and 18 March 2010, respectively, as appraised by independent professional valuers, notwithstanding that such valuations may not illustrate the current market value of the Properties;
(iii) the Directors’ knowledge in such industry that each consideration is comparable to the market price of similar properties or the consideration for sale transactions of similar properties in the US; and

(iv) the expected annual yield to be generated by the Properties to the Group from the future leases of the Properties having taken into account the capitalization rate of approximately 10.4% as calculated with reference to the Net Operating Income generated by the Properties for the year ended 31 December 2010 and the consideration of the Properties, the leasing arrangement of the Properties and the asset management fees payable by the Company to Kinetic Capital as described in the paragraph headed “Reasons for the Assignments and the Proposed Acquisitions” below.

Upon completion of the Assignments, an aggregate cash deposit of US$150,000 already paid by Strategic Capital for the Proposed Acquisitions pursuant to the Acquisition Agreements have been reimbursed by the Purchasers to Strategic Capital.

**Adjustment to the consideration**

The consideration for each of the Laurelhurst Acquisition Agreement, Beaverton Acquisition Agreement and Gresham Acquisition Agreement shall be adjusted by any prepaid rent, other income, all security deposits, prepaid expenses, taxes and other charges properly allocable to Vendor L, Vendor B and Vendor G, and Chevalier Laurelhurst, Chevalier Beaverton and Chevalier Gresham, respectively before Completion Date. The Vendors shall also indemnify Strategic Capital against all liabilities, claims, damages and cost and expenses arising from the Properties prior to Completion Date.

**Conditions precedent**

Set out below are the conditions in common to the Acquisition Agreements:

(i) Strategic Capital shall perform in material aspects all its obligations under each of the Laurelhurst Acquisition Agreement, the Beaverton Acquisition Agreement and the Gresham Acquisition Agreement prior to Completion Date;

(ii) representations and warranties given by Strategic Capital shall be true and correct as of Completion Date in all material aspects;

(iii) each of the NewCos shall enter into a lease agreement relating to the leasing of Laurelhurst Village, Beaverton Square and Gresham Square with Strategic Capital;

(iv) a specified title insurer shall issue (or irrevocably committed to issue) the approved title insurance policy relating to each of the Properties to Strategic Capital;

(v) Vendor L, Vendor B and Vendor G shall perform in all material respects all its obligations under the Laurelhurst Acquisition Agreement, the Beaverton Acquisition Agreement and the Gresham Acquisition Agreement prior to Completion Date, respectively; and

(vi) representations and warranties given by each of Vendor L, Vendor B and Vendor G shall be true and correct as of Completion Date in all material aspects.

Set out below is the additional condition to the Laurelhurst Acquisition Agreement and the Beaverton Acquisition Agreement only:

(vii) in the event that either one of the NewCos specifically set up to lease Laurelhurst Village or Beaverton Square cannot obtain the necessary government approvals, Strategic Capital shall enter into a lease agreement with Vendor L or Vendor B respectively on an interim basis.

Conditions (iii), (iv), (v), (vi) and (vii) above are capable of being waived in writing by Strategic Capital.
Failure to perform the Acquisition Agreements

In the event that Vendor L, Vendor B or Vendor G fails to fulfil its material obligations on Completion Date, Strategic Capital may, as its sole and exclusive remedy, either:

(i) terminate the Laurelhurst Acquisition Agreement, the Beaverton Acquisition Agreement and the Gresham Acquisition Agreement respectively by written notice prior to Completion Date, in which event the cash deposits made by Strategic Capital shall be forthwith returned thereto and Strategic Capital shall have the right to recover its actual damages against such vendor; or

(ii) compel specific performance by Vendor L, Vendor B or Vendor G respectively of its obligations, in which event the cash deposits made by Strategic Capital shall be delivered to Vendor L, Vendor B or Vendor G respectively on Completion Date and credited against the consideration for each of the Properties respectively.

If Strategic Capital fails to fulfil its obligations, the cash deposits made thereby shall be forfeited by Vendor L, Vendor B or Vendor G respectively as full and liquidated damages in lieu of all other rights and remedies.

Completion for the Proposed Acquisitions

Subject to the fulfillment or waiver (as the case may be) of the conditions precedent, completion for each of the Proposed Acquisitions are expected to take place on Completion Date.

FUNDING FOR AGGREGATE CONSIDERATION FOR THE ASSIGNMENTS AND THE PROPOSED ACQUISITION

The aggregate consideration for the Assignments and the Proposed Acquisitions of approximately US$34,896,003 (equivalent to approximately HK$272.2 million) will be financed by internal resources and external financing of the Group, of which approximately US$26.2 million (equivalent to approximately HK$204.4 million) will be financed by means of mortgage loans.

INFORMATION ON THE PROPERTIES

Laurelhurst Village is wholly owned by Vendor L and is an assisted living and memory care and skilled nursing community for the seniors established at Oregon since 1940 with a gross floor area of approximately 142,765 sq. ft. Beaverton Square is wholly owned by Vendor B and is an assisted living and memory care community for the seniors established at Oregon since 1987 with a gross floor area of approximately 34,800 sq. ft. Gresham Square is wholly owned by Vendor G and is an assisted living and memory care community for the seniors established at Oregon since 1990 with a gross floor area of approximately 31,000 sq. ft.

The existing operator of Laurelhurst Village, Beaverton Square and Gresham Square are mainly engaged in operating seniors housing campuses at Oregon, Washington and Idaho, the US. It provides senior residents in the Properties with private apartments, private rooms or semi-private rooms together with assisted living services including but not limited to around-the-clock staffing, three nutritious meals a day and weekly housekeeping at a monthly rental. For senior residents in need of additional personal care, the operator also provides them with services such as dressing and grooming, toileting and clinical oversight at extra service charge. Beaverton Square and Gresham Square are also pioneer in the facilities specifically designed for those seniors suffering from Alzheimer’s Disease and other related dementias.
The Properties’ revenues were derived from the sub-leasing of the housing units and provision of assisted living services and other medical care services to the seniors residents. Summarised below are the unaudited financial information of each of Laurelhurst Village, Beaverton Square and Gresham Square for the two years ended 31 December 2009 and 2010 and the valuation of each of the Properties as prepared by independent professional valuers as of earlier dates:

**Laurelhurst Village**

<table>
<thead>
<tr>
<th></th>
<th>For the year ended 31 December</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>US$ million</td>
<td>US$ million</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>15.4</td>
<td>14.2</td>
<td></td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>2.5</td>
<td>1.5</td>
<td></td>
</tr>
</tbody>
</table>

**As of 27 July 2010**

US$ million

Appraised value of Laurelhurst Village 21.6

**Beaverton Square**

<table>
<thead>
<tr>
<th></th>
<th>For the year ended 31 December</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>US$ million</td>
<td>US$ million</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>2.9</td>
<td>2.6</td>
<td></td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>0.7</td>
<td>0.6</td>
<td></td>
</tr>
</tbody>
</table>

**As of 24 August 2010**

US$ million

Appraised value of Beaverton Square 5.9

**Gresham Square**

<table>
<thead>
<tr>
<th></th>
<th>For the year ended 31 December</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td></td>
<td>US$ million</td>
<td>US$ million</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>2.4</td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>0.5</td>
<td>0.3</td>
<td></td>
</tr>
</tbody>
</table>

**As of 18 March 2010**

US$ million

Appraised value of Gresham Square 3.5

**REASONS FOR THE ASSIGNMENTS AND THE PROPOSED ACQUISITIONS**

The Company is an investment holding company and the Group is principally engaged in the business of construction and engineering, insurance and investment, property (including property development, investment and management, godown and cold storage), food and beverages, and computer and information communication technology.
As set out in the interim report of the Company for the six months ended 30 September 2010, the Group has disposed of all its interests in two projects in Mainland China in April and July 2010 respectively and has generated cash proceeds therefrom to serve to increase the Group’s ability and flexibility to undertake future property developments and investments. In view of this, the Company has engaged Kinetic Capital, an independent adviser and asset manager, to assist in identifying investment targets, designing investment structure and devising post-investment plans for ongoing asset management and operations. Through the services and advice of Kinetic Capital, the Purchasers entered into the Assignment Agreements with relevant parties to take up the rights and obligations under the Acquisition Agreements to acquire the Properties.

The Properties are located at Oregon, the US, in which the 75-plus aged population is expected to increase by 21% from 2009 to 2020 according to the statistics released by the US Census Bureau on 14 August 2008, and the national healthcare expenditures are also expected to keep its upward trend in the coming ten years. The growing aged population and steady growth rate of healthcare expenditures in the US are expected to drive up the demand for seniors housing and maintain a steady growth rate thereof in the long run. The Properties are currently being operated as seniors housing communities. After the completion of the Proposed Acquisitions and assuming the NewCos have obtained all necessary government approvals for the senior housing operation, the Properties will be leased to the NewCos as set up by the new operator, a third party independent of and not connected with the Company and its connected persons, for a period commencing from the date on which the NewCos obtain all necessary governmental approval to 31 December 2015. Kinetic Capital will ensure the Properties will continue to be operated as seniors housing communities by the existing operator or the new operator. The new operator will charge a lower management fee as compared to the fees charged by previous operator, which will be equivalent to 5% of revenue and certain performance incentive fees. In return, Kinetic Capital shall receive consulting and asset management fees from the Company for providing advice to the Group on acquisition and the ongoing management of the Properties.

The Directors are optimistic about the prospects of the operations of the Properties and consider that it is an opportune time to acquire the Properties to diversify the Group’s property portfolio. The Directors are also of the view that the Proposed Acquisitions would generate stable rental income, provide capital appreciation potential to the Group, and defend the Group from economic depression by diversifying its portfolio to a relatively defensive property investment.

Taking into account the above factors, the Directors consider that the terms of the Assignments and the Proposed Acquisitions including the aggregate consideration thereof are fair and reasonable and the Assignments and the Proposed Acquisitions are in the interests of the Shareholders and the Company as a whole.

LISTING RULES IMPLICATIONS

The Assignments and the Proposed Acquisitions constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as set out below:

“Acquisition Agreements” collectively, the Laurelhurst Acquisition Agreement, the Beaverton Acquisition Agreement and the Gresham Acquisition Agreement

“Assignment Agreements” collectively, the Laurelhurst Assignment Agreement, the Beaverton Assignment Agreement and the Gresham Assignment Agreement
“Assignments” collectively, the assignment of the rights and obligations under Laurelhurst Acquisition Agreement, Beaverton Acquisition Agreement and Gresham Acquisition Agreement by Strategic Capital to Chevalier Laurelhurst, Chevalier Beaverton and Chevalier Gresham respectively

“Beaverton Acquisition Agreement” the sale and purchase agreement dated 4 March 2011 (as amended on 8 April 2011, 29 April 2011, 13 May 2011 and 30 May 2011) entered into between Vendor B and Strategic Capital in relation to the acquisition of Beaverton Square

“Beaverton Square” a parcel of land with a site area of approximately 73,181 sq. ft. accommodating 69-unit assisted living and memory care community for seniors located in Beaverton, Oregon, the US together with any and all buildings and associated facilities, infrastructure and related site improvements located thereon with a total gross floor area of approximately 34,800 sq. ft.

“Beaverton Assignment Agreement” the agreement entered into by Chevalier Beaverton and Strategic Capital on 31 May 2011 (US time) pursuant to which Strategic Capital has assigned to Chevalier Beaverton all its rights and obligations under the Beaverton Acquisition Agreement

“Board” the board of Directors

“Chevalier Beaverton” Chevalier Beaverton, LLC, a limited liability company incorporated in Delaware and an indirect wholly-owned subsidiary of the Company

“Chevalier Gresham” Chevalier Gresham, LLC, a limited liability company incorporated in Delaware and an indirect wholly-owned subsidiary of the Company

“Chevalier Laurelhurst” Chevalier Portland Laurelhurst, LLC, a limited liability company incorporated in Delaware and an indirect wholly-owned subsidiary of the Company

“Company” Chevalier International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 025)

“Completion Date” 30 June 2011 or such other date as agreed by the Purchasers and the Vendors in writing

“connected persons” has the meaning ascribed to it under the Listing Rules

“Directors” directors of the Company

“Gresham Acquisition Agreement” the sale and purchase agreement dated 15 December 2010 (as amended on 28 January 2011, 8 April 2011, 29 April 2011, 13 May 2011 and 30 May 2011) entered into between Vendor G and Strategic Capital in relation to the acquisition of Gresham Square

“Gresham Assignment Agreement” the agreement entered into by Chevalier Gresham and Strategic Capital on 31 May 2011 (US time) pursuant to which Strategic Capital has assigned to Chevalier Gresham all its rights and obligations under the Gresham Acquisition Agreement
“Gresham Square” a parcel of land with a site area of approximately 123,337 sq. ft. accommodating 64-unit assisted living and memory care community for seniors located in Gresham, Oregon, the US together with any and all buildings and associated facilities, infrastructure and related site improvements located thereon with a total gross floor area of approximately 30,990 sq. ft.

“Group” the Company and its subsidiaries

“Hong Kong” the Hong Kong Special Administrative Region of the People’s Republic of China

“Kinetic Capital” Kinetic Capital Company Limited, a limited liability company incorporated in the British Virgin Islands and the independent adviser and asset manager engaged by the Company

“Laurelhurst Acquisition Agreement” the sale and purchase agreement dated 24 February 2011 (as amended on 8 April 2011, 29 April 2011, 13 May 2011 and 30 May 2011) entered into between Vendor L and Strategic Capital in relation to the acquisition of Laurelhurst Village

“Laurelhurst Assignment Agreement” the agreement entered into by Chevalier Laurelhurst and Strategic Capital on 31 May 2011 (US time) pursuant to which Strategic Capital has assigned to Chevalier Laurelhurst all its rights and obligations under Laurelhurst Acquisition Agreement

“Laurelhurst Village” a parcel of land with a site area of approximately 282,750 sq. ft. accommodating a 203-unit assisted living and memory care community for the seniors located in Portland, Oregon, the US together with any and all buildings and associated facilities, infrastructure and related site improvements located thereon with a total gross floor area of approximately 142,800 sq. ft.

“Listing Rules” the Rules Governing the Listing of Securities on the Stock Exchange

“Net Operating Income” the total revenues net of operating expenses (excluding amortisation, depreciation, tax and interest expense)

“NewCos” three single purpose bankruptcy remote entities set up to lease the Properties from the Purchasers under the terms and conditions set out in the Acquisition Agreements

“Properties” together, Laurelhurst Village, Beaverton Square and Gresham Square

“Proposed Acquisitions” the acquisition of the Properties by the Purchasers

“Purchasers” collectively, Chevalier Laurelhurst, Chevalier Beaverton and Chevalier Gresham

“Share(s)” ordinary share(s) of HK$1.25 each in the share capital of the Company

“Shareholder(s)” holder(s) of the Share(s)

“Stock Exchange” The Stock Exchange of Hong Kong Limited
This announcement contains translation between US$ and HK$ at the rate US$1.0 = HK$7.8. The translation rate is for indication purposes only and should not be taken as a representation that the relevant currencies could actually be converted at that rate or at all.

By Order of the Board
Chevalier International Holdings Limited
Chow Yei Ching
Chairman

Hong Kong, 2 June 2011

As at the date of this announcement, the Board comprises Dr. Chow Yei Ching (Chairman), Messrs. Kuok Hoi Sang (Vice Chairman and Managing Director), Tam Kwok Wing (Deputy Managing Director), Chow Vee Tsung, Oscar, Ho Chung Leung and Ma Chi Wing as executive Directors; Dr. Chow Ming Kuen, Joseph, Messrs. Sun Kai Dah, George and Yang Chuen Liang, Charles as independent non-executive Directors; and Dr. Ko Chan Gock, William as non-executive Director.