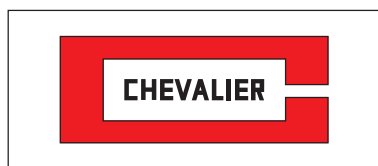


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**CHEVALIER INTERNATIONAL
HOLDINGS LIMITED**

其士國際集團有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 025)



**CHEVALIER PACIFIC
HOLDINGS LIMITED**

其士泛亞控股有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 508)

**POSSIBLE DISPOSAL OF SHARES
IN A SUBSIDIARY
AND
RESUMPTION OF TRADING**

**UNUSUAL PRICE MOVEMENT;
POSSIBLE DISPOSAL OF
SHAREHOLDING BY
A CONTROLLING SHAREHOLDER;
AND
RESUMPTION OF TRADING**

JOINT ANNOUNCEMENT

UNUSUAL PRICE MOVEMENT IN THE CPHL SHARES

The Board of CPHL noted the increase in the price of the CPHL Shares on Friday, 20 May 2011 and wishes to state that it is not aware of any reasons for such increase.

CIHL is in discussions with independent third parties in respect of the Possible Acquisitions which may constitute notifiable transactions for CIHL. CIHL is also in discussions with the Potential Purchaser regarding the Possible Disposal, which may result in a change in control of CPHL and may lead to a general offer for the CPHL's issued securities not already owned or agreed to be acquired by the Potential Purchaser and the parties acting in concert (has the meaning ascribed to it under the Takeovers Code) with it. The Possible Disposal may involve the Assets Reorganisation. Discussions in respect the Possible Acquisitions and the Possible Disposal are ongoing and no binding agreements have been signed. Further announcement(s) will be made by CIHL and CPHL (as the case may be) as and when appropriate in accordance with the Listing Rules and the Takeovers Code (as the case may be).

* *For identification purpose only*

The Possible Acquisitions, the Possible Disposal and the Assets Reorganisation may or may not materialise. There is no certainty that any talks by CIHL, being the controlling shareholder of CPHL, will proceed or that the same will result in a binding agreement or change in control of CPHL or that any offer will be made for CPHL's issued securities. Shareholders of CIHL and CPHL and the investing public are advised to exercise caution when dealing in the shares of CIHL and CPHL.

THE POSSIBLE DISPOSAL

If the Possible Disposal materialises, it will result in a change in control of CPHL and the Potential Purchaser will trigger an obligation to make a mandatory unconditional general offer under the Takeovers Code for all the issued CPHL Shares and the CPHL Share Options other than those already owned or agreed to be acquired by the Potential Purchaser and parties acting in concert (has the meaning ascribed to it under the Takeovers Code) with it. Such offer, if made, is likely to be solely in cash.

Shareholders of CIHL and CPHL will be informed of any further development in the Possible Disposal as and when appropriate and on a monthly basis by way of progress announcement(s) under Rule 3.7 of the Takeovers Code until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the Possible Disposal is made.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES OF CIHL AND CPHL

Trading in the shares of CIHL and CPHL on the Stock Exchange was suspended at the request of CIHL and CPHL from 1:30 p.m. on Friday, 20 May 2011 pending the release of this announcement. Applications have been made to the Stock Exchange for the resumption of trading in the shares of CIHL and CPHL with effect from 9:00 a.m. on Tuesday, 24 May 2011.

This announcement is jointly made by Chevalier International Holdings Limited (“**CIHL**”) and Chevalier Pacific Holdings Limited (“**CPHL**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) and Rule 13.09(1) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

UNUSUAL PRICE MOVEMENT IN THE CPHL SHARES

The board of directors (the “**Board**”) of CPHL noted the increase in the price of the shares of CPHL (the “**CPHL Shares**”) on Friday, 20 May 2011 and wishes to state that it is not aware of any reasons for such increase.

CIHL is in discussions with independent third parties in respect of possible acquisitions of land and property interests (the “**Possible Acquisitions**”) which may constitute notifiable transactions for CIHL. CIHL, being the controlling shareholder of CPHL, is also in discussions with a potential purchaser (the “**Potential Purchaser**”) regarding a possible disposal of its entire shareholding in CPHL (the “**Possible Disposal**”) to the Potential Purchaser as further described below. The Possible Disposal may involve certain assets reorganisation of CPHL (the “**Assets Reorganisation**”). Discussions in respect the Possible Acquisitions and the Possible Disposal are ongoing and no binding agreements have been signed. Further announcement(s) will be made by CIHL and CPHL (as the case may be) as and when appropriate in accordance with the Listing Rules and the Takeovers Code (as the case may be).

The respective Boards of CIHL and CPHL also confirm that, save as disclosed in this announcement, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither are the respective Boards of CIHL and CPHL aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

The Possible Acquisitions, the Possible Disposal and the Assets Reorganisation may or may not materialise. There is no certainty that any talks by CIHL will proceed or that the same will result in a binding agreement or change in control of CPHL or that any offer will be made for CPHL’s issued securities. Shareholders of CIHL and CPHL and the investing public are advised to exercise caution when dealing in the shares of CIHL and CPHL.

THE POSSIBLE DISPOSAL

The Boards of CIHL and CPHL wish to advise the shareholders of CIHL and CPHL respectively that discussions have been held between CIHL and the Potential Purchaser regarding the Possible Disposal which may involve the Assets Reorganisation. Discussions with the Potential Purchaser are still at its preliminary stage and are subject to further negotiations. As at the date hereof, there is no agreement (whether formal or informal) entered into between CIHL and the Potential Purchaser in respect of the Possible Disposal.

As at the date of this announcement, CPHL has a total of 2,375,095,170 CPHL Shares in issue and outstanding share options of CPHL entitling the holders thereof to subscribe for 150,000,000 CPHL Shares at the exercise price of HK\$0.3 per CPHL Share (subject to adjustments) (the “**CPHL Share Options**”). Save for the above, CPHL does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into CPHL Shares as at the date of this announcement.

If the Possible Disposal materialises, it will result in a change in control of CPHL and the Potential Purchaser will trigger an obligation to make a mandatory unconditional general offer under the Takeovers Code for all the issued CPHL Shares and the CPHL Share Options other than those already owned or agreed to be acquired by the Potential Purchaser and parties acting in concert (has the meaning ascribed to it under the Takeovers Code) with it. Such offer, if made, is likely to be solely in cash.

Shareholders of CIHL and CPHL will be informed of any further development in the Possible Disposal as and when appropriate and on a monthly basis by way of progress announcement(s) under Rule 3.7 of the Takeovers Code until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the Possible Disposal is made.

As at the date of this announcement, CIHL holds 1,285,829,330 CPHL Shares, representing approximately 54.14% of the issued share capital of CPHL.

DEALING DISCLOSURE

The respective associates (as defined in the Takeovers Code) (including, among others, persons holding 5% or more of a class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of CPHL and the Potential Purchaser are reminded to disclose their dealings in the securities of the Company under Rule 22 of the Takeovers Code.

RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below whereby the terms used therein shall have the same meaning as those ascribed to them in the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES OF CIHL AND CPHL

Trading in the shares of CIHL and CPHL on the Stock Exchange was suspended at the request of CIHL and CPHL from 1:30 p.m. on Friday, 20 May 2011 pending the release of this announcement. Applications have been made to the Stock Exchange for the resumption of trading in the shares of CIHL and CPHL with effect from 9:00 a.m. on Tuesday, 24 May 2011.

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

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

Hong Kong, 23 May 2011

As at the date of this announcement, the Board of CIHL 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.

As at the date of this announcement, the Board of CPHL 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 directors and Mr. Wu King Cheong, Mr. Leung Kwong Kin and Mr. Lau Kai Shu, Frank as independent non-executive directors.

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

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

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