

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims only liabilities whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**CHEVALIER INTERNATIONAL
HOLDINGS LIMITED**

(incorporated in Bermuda with limited liability)



**CHEVALIER CONSTRUCTION
HOLDINGS LIMITED**

(incorporated in Bermuda with limited liability)

**JOINT ANNOUNCEMENT
PROPOSED PRIVATISATION OF
CHEVALIER CONSTRUCTION HOLDINGS LIMITED
BY
CHEVALIER INTERNATIONAL HOLDINGS LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 99 OF THE COMPANIES ACT 1981 OF BERMUDA (AS AMENDED))
DESPATCH OF SCHEME DOCUMENT**

Financial Adviser to Chevalier International Holdings Limited



**Independent financial adviser to the independent board committee of
Chevalier Construction Holdings Limited**



The Scheme Document was despatched to the CCHL Shareholders on Monday 22nd December, 2003.

The respective notices of the Court Meeting and the Special General Meeting to be held on Friday, 16th January, 2004 are set out in the Scheme Document.

CCHL Independent Shareholders should consider carefully the recommendation of the CCHL Independent Board Committee and the factors, reasons and recommendation in relation to the Proposal as set out in the letter from Quam, the independent financial adviser to the CCHL Independent Board Committee, before making a decision on the Proposal.

CCHL Shareholders and potential investors are reminded that the Proposal is subject to a number of conditions being fulfilled or waived, as applicable, and therefore may or may not become effective. Subject to all the conditions of the Proposal being fulfilled or waived, as applicable, the Scheme is expected to become effective on Friday, 6th February, 2004. Details of these conditions are set out in the explanatory statement contained in the Scheme Document. The Scheme will lapse if it does not become effective on or before 31st March, 2004 (or such other date as CHIL and CCHL may agree or as the Supreme Court may direct), otherwise the Proposal will lapse. An announcement will be made by CIHL and CCHL if the Proposal lapses.

CCHL Shareholders and potential investors are advised to exercise caution when dealing in CCHL Shares.

INTRODUCTION

Reference is made to the announcements dated 31st October, 2003, 19th November, 2003 and 5th December, 2003 jointly made by Chevalier Construction Holdings Limited and Chevalier International Holdings Limited. Capitalised terms used in the Scheme Document have the same meaning as those used in this announcement unless the context herein requires otherwise.

DESPATCH OF THE SCHEME DOCUMENT

The document containing details of the Scheme was despatched to CCHL Shareholders on Monday, 22nd December, 2003.

The Scheme Document contains, among other things, further details of the Proposal and the Scheme, the expected timetable, the explanatory statement required under the Companies Act, information regarding the CCHL Group, the letters from the CCHL Independent Board Committee and Quam, the independent financial adviser to the CCHL Independent Board Committee, a notice of the Court Meeting and a notice of the Special General Meeting.

RECOMMENDATION OF THE CCHL INDEPENDENT BOARD COMMITTEE AND QUAM

The CCHL Independent Board Committee comprising Mr. Sun Kai Dah, George and Mr. Du Shue Chu, both independent non-executive directors of CCHL, were appointed by the CCHL Board to advise the CCHL Independent Shareholders in relation to the Proposal. Quam has been appointed as the independent financial adviser to advise the CCHL Independent Board Committee in connection with the Proposal.

The Scheme Document contains, among other things, a letter from Quam giving its advice and recommendation to the CCHL Independent Board Committee on the Proposal.

CCHL Independent Shareholders should consider carefully the recommendation of the CCHL Independent Board Committee and the factors, reasons and recommendation in relation to the Proposal as set out in the letter from Quam before making a decision on the Proposal.

Actions to be taken by CCHL Independent Shareholders are set out in the Explanatory Statement contained in the Scheme Document.

PRO FORMA STATEMENT OF NET TANGIBLE ASSET VALUE

Set out below is a statement of the unaudited pro forma adjusted consolidated net tangible asset value of CCHL Group based on the consolidated net tangible asset value of the CCHL Group as at 31st March, 2003 and adjusted as follows:

	<i>HK\$ million</i>
Audited consolidated net tangible asset value as at 31st March, 2003	76.4
Adjusting for interim results of CCHL Group for the six months ended 30th September, 2003	2.4
Unaudited pro forma adjusted net tangible asset value of CCHL Group	<u>78.8</u>
Unaudited pro forma adjusted net tangible asset value per CCHL Share (based on 249,000,000 CCHL Shares in issue as at the Latest Practicable Date)	<u>HK\$0.317</u>

INDEBTEDNESS

Set out below is the statement of indebtedness contained in the Scheme Document.

As at the close of business on 30th November, 2003, the CCHL Group had contingent liabilities for guarantees issued to the extent of approximately HK\$14,975,000 and HK\$2,500,000 to insurance companies and financial institutions as security in connection with performance bonds for construction contracts undertaken by CCHL Group's subsidiaries and credit facilities granted to CCHL Group's subsidiaries and a jointly controlled entity respectively.

As at the same date, none of the companies of the CCHL Group had any outstanding mortgages, charges, debentures, loan capital and overdrafts, or other similar indebtedness, finance leases or hire-purchase commitments, liabilities under acceptances or acceptances credits or any guarantees or other material contingent liabilities.

MEETINGS

The Court Meeting and the Special General Meeting will be held at 9:15 a.m. and 9:30 a.m. respectively on Friday, 16th January, 2004 at 22/F, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Hong Kong. Notices of the Meetings are set out in the Scheme Document.

A further announcement will be made, inter alia, the voting results of the Court Meeting and the Special General Meeting following the Meetings.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of CCHL Independent Shareholders to attend and vote at the Court Meeting and the CCHL Shareholders to attend and vote at the Special General Meeting, the register of members of CCHL will be closed from Wednesday, 14th January, 2004 to Friday, 16th January, 2004 (both dates inclusive). During such period no transfer of CCHL Shares will be effected. In order to qualify to vote at the Meetings, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrar of CCHL in Hong Kong, Standard Registrars Limited, situate at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong by no later than 4:30 p.m. on Tuesday, 13th January, 2004.

CONDITIONS OF THE PROPOSAL

CCHL Shareholders and potential investors are reminded that the Proposal is subject to a number of conditions being fulfilled or waived, as applicable, and therefore may or may not become effective. Subject to all the conditions to the Proposal being fulfilled or waived, as applicable, the Scheme is expected to become effective on Friday, 6th February, 2004. Details of these conditions are set out in the Explanatory Statement contained in the Scheme Document. The Scheme will lapse if it does not become effective on or before 31st March, 2004 (or such other date as CIHL and CCHL may agree or as the Supreme Court may direct) otherwise, the Proposal will lapse. An announcement will be made by CCHL and CIHL if the Proposal lapses.

It is intended that the listing of CCHL Shares on the Stock Exchange will be withdrawn if the Scheme is implemented and be maintained in the event that the Scheme is not approved or lapsed.

CCHL Shareholders and potential investors are advised to exercise caution when dealing in CCHL Shares.

EXPECTED TIMETABLE

Hong Kong time 2004

Latest time for lodging transfers of the CCHL Shares to qualify for attending and voting at the Court Meeting and the Special General Meeting	4:30 p.m. on Tuesday, 13th January
Register closed for determination of entitlements of CCHL Independent Shareholders to attend and vote at Court Meeting and CCHL Shareholders to attend and vote at the Special General Meeting	Wednesday, 14th January to Friday, 16th January (both days inclusive)
Latest time for lodging forms of proxy in respect of: Court Meeting (<i>Note 1</i>)	9:15 a.m. on Wednesday, 14th January
Special General Meeting (<i>Note 1</i>)	9:30 a.m. on Wednesday, 14th January
Suspension of trading in the CCHL Shares	9:30 a.m. on Friday, 16th January
Court Meeting	9:15 a.m. on Friday, 16th January
Special General Meeting	9:30 a.m. on Friday, 16th January
Press announcement of the results of the Special General Meeting in The Standard, Hong Kong Economic Journal and Hong Kong Economic Times	Monday, 19th January
Resumption of trading in the CCHL Shares	9:30 a.m. on Monday, 19th January
Supreme Court hearing of petition to sanction the Scheme (<i>Note 2</i>)	Friday, 30th January
Latest time for dealing in the CCHL Shares	4:00 p.m. on Monday, 2nd February
Latest time for lodging transfers of the CCHL Shares to qualify for entitlements under the Scheme	4:30 p.m. on Thursday, 5th February
Record Date	Thursday, 5th February
Effective Date (<i>Note 3</i>)	Friday, 6th February

Press announcement on Effective Date and withdrawal
of listing in The Standard, Hong Kong Economic
Journal and Hong Kong Economic Times Monday, 9th February

Withdrawal of the listing of the CCHL Shares on the
Stock Exchange becomes effective (*Note 3*) 9:30 a.m. on Monday, 9th February

Cheques for cash payment under the Scheme
to be despatched on or before Monday, 16th February

CCHL Shareholders should note that the above timetable is subject to change depending mainly on the availability of the Supreme Court to hear the proceedings in relation to the Scheme. Further announcement will be made in the event that there is any such change.

Notes:

1. Forms of proxy should be lodged with the branch share registrar of CCHL in Hong Kong, namely Standard Registrars Limited, situate at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not later than the relevant times and dates stated above or, in the case of the pink form of proxy in respect of the Court Meeting, they may be handed to the chairman of the Court Meeting at the Court Meeting. Completion and return of a form of proxy for the Court Meeting or the Special General Meeting will not preclude the relevant CCHL Shareholder from attending the relevant Meetings and voting in person. In such event, the returned form of proxy will be deemed to have been revoked.
2. All references in the Scheme Document to times and dates are references to Hong Kong times and dates, other than references to the expected date for the Supreme Court hearing of the petition to sanction the Scheme, which are to the relevant date in Bermuda. For the period from 27th October, 2003 to 3rd April, 2004, Bermuda time is twelve hours behind Hong Kong time.
3. The Scheme will become effective when it is sanctioned (with or without modification) by the Supreme Court and a copy of the Supreme Court order is delivered to the Registrar of Companies in Bermuda for registration and is registered. Registration is expected to take place between 2:00 p.m. and 5:00 p.m. on Friday, 6th February, 2004 (Bermuda time) (equivalent to between 2:00 a.m. and 5:00 a.m. on Saturday, 7th February, 2004 (Hong Kong time)). CCHL Independent Shareholders should note the conditions to the Proposal set out in the Scheme Document. It is expected that the listing of the CCHL Shares on the Stock Exchange will be withdrawn on Monday, 9th February, 2004.

On behalf of the board
of directors of
**Chevalier International
Holdings Limited**
Chow Yei Ching
*Chairman and
Managing Director*

On behalf of the board
of directors of
**Chevalier Construction
Holdings Limited**
Chow Yei Ching
Chairman

Hong Kong, 22nd December, 2003

The CCHL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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 statement in this announcement misleading.

The CIHL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement 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 statement in this announcement misleading.

Please also refer to the published version of this announcement in The Standard.