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If you have sold or transferred all your shares in Chevalier International Holdings Limited (the “Company”), you should at once hand this circular and the enclosed proxy form to the purchaser or transferee or to the bank, stockbroker or other agents through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

Executive Directors

Dr CHOW Yei Ching (*Co-Chairman*)
Mr KUOK Hoi Sang (*Co-Chairman and Managing Director*)
Mr TAM Kwok Wing (*Deputy Managing Director*)
Mr HO Chung Leung
Mr MA Chi Wing
Miss Lily CHOW

Non-Executive Directors

Dr KO Chan Gock, William
Mr CHOW Vee Tsung, Oscar

Independent Non-Executive Directors

Dr CHOW Ming Kuen, Joseph
Mr SUN Kai Dah, George
Mr YANG Chuen Liang, Charles
Professor POON Chung Kwong

Registered Office

Canon's Court
22 Victoria Street
Hamilton, HM 12
Bermuda

Principal Place of Business

22nd Floor
Chevalier Commercial Centre
8 Wang Hoi Road
Kowloon Bay
Hong Kong

15 July 2016

To the Shareholders

Dear Sir/Madam,

**RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The directors of the Company (the “Directors”) wish to seek the approval of shareholders to re-elect the retiring directors, to grant general mandates to the Directors to issue and repurchase shares of HK\$1.25 each in the share capital of the Company (the “Share(s)").

* For identification purposes only

This circular is to provide the shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolutions as mentioned herein and which, inter alia, will be dealt with at the annual general meeting of the Company to be held at 22nd Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Hong Kong on Friday, 2 September 2016 at 10:30 a.m. (the “2016 Annual General Meeting”).

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-law 112 of the Bye-Laws of the Company, Messrs HO Chung Leung, CHOW Vee Tsung, Oscar, SUN Kai Dah, George and Professor POON Chung Kwong, who have been the longest in office since their last election, will retire by rotation at the 2016 Annual General Meeting and being eligible, may offer themselves for re-election. Mr Sun Kai Dah, George has informed the Company that he would not offer himself for re-election and accordingly will retire as Independent Non-Executive Director and cease to be the chairman of the Nomination Committee, a member of each of the Remuneration Committee and the Audit Committee of the Company after the conclusion of the 2016 Annual General Meeting. Save for Mr Sun, the other retiring directors, being eligible, shall offer themselves for re-election at the 2016 Annual General Meeting. Ordinary resolutions will therefore be proposed at the 2016 Annual General Meeting to re-elect the other retiring Directors as directors of the Company. Pursuant to Rule 13.74 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”), the details of such retiring Directors are set out below:

- (1) **Mr HO Chung Leung**, Executive Director and a member of the Executive Committee, aged 66, joined Chevalier Group in 1985. He is also a director of certain companies of the Group and is responsible for the management of accounting, treasury, internal audit and information technology activities of Chevalier Group. Mr Ho is a fellow member of the Association of Chartered Certified Accountants in the U.K. and a member of the Hong Kong Institute of Certified Public Accountants.

Mr Ho has personal interest in 40,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). Mr Ho was entitled to an annual emolument of HK\$3,510,000 for the year ended 31 March 2016 which was determined by the Remuneration Committee of the board of Directors (the “Board”) with reference to the Company’s performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

- (2) **Mr CHOW Vee Tsung, Oscar**, Non-Executive Director, aged 42, joined Chevalier Group in 2000. He is also a director of certain companies of the Group. Mr Chow was re-designated from an Executive Director to a Non-Executive Director, and ceased to be a member of each of the Executive Committee, the Remuneration Committee and the Nomination Committee of the Company on 1 October 2015. Mr Chow was an independent non-executive director of Towngas China Company Limited and resigned on 8 May 2015. He holds a degree in Master of Engineering from The University of Oxford, U.K. and is currently a General Committee Member of the Hong Kong General Chamber of Commerce and a General Committee Member of The Chinese Manufacturers’ Association of Hong Kong. He is also a member of the Shanghai Committee of the Chinese People’s Political Consultative Conference. Mr Chow is also a court member of The Hong Kong Polytechnic University and The University of Hong Kong. Mr Chow is the son of Dr Chow Yei Ching, the Co-Chairman of the Company and brother of Miss Lily Chow, Executive Director of the Company. Mr Chow was entitled to an annual emolument of HK\$2,731,000 for the year ended 31 March 2016 which was determined by the Remuneration Committee of the Board with reference to the Company’s performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

On 2 July 2015, the Takeovers and Mergers Panel (the “Panel”) publicly censured Mr Chow and imposed a “Cold Shoulder Order” on him denying him, and any corporation controlled by him (save for the Company and its subsidiaries), direct or indirect access to the securities markets for a period of 2 years from 2 July 2015 to 1 July 2017. The

Panel found a breach of Rule 26.1 of The Code on Takeovers and Mergers and Share Buy-backs (the “Takeovers Code”) on the part of Mr Chow and two other persons in that they have acted in concert with the late Ms Nina Kung to obtain and consolidate control over ENM Holdings Limited, through the acquisition of voting rights. The Panel found that there has been a failure to make a general offer as required under Rule 26.1 of the Takeovers Code at the relevant time between 2000 and 2002.

Mr Chow was a director of (i) King Holding Company 1 Pty Limited; (ii) King Holding Company 2 Pty Limited; (iii) King Bid Company Pty Limited; and (iv) Oakville Produce Group Pty Limited, all of which are associates of the Company in Australia which have been placed into Voluntary Administration on 11 May 2016. Joint and Several Voluntary Administrators and Joint and Several Receivers and Managers (“Receivers”) have been appointed to oversee the affairs of these companies going forward. The companies will continue to trade as normal whilst the Receivers undertake a sale of the business process. All the companies are incorporated in Australia and are principally engaged in the fresh produce supply business in Australia. As at 11 May 2016, outstanding senior syndicated loan of the companies was approximately A\$60.7 million.

- (3) **Professor POON Chung Kwong** *G.B.S., J.P., Ph.D., D.Sc.*, Independent Non-Executive Director, aged 76, joined the Company in 2012. Professor Poon obtained a Bachelor of Science (Honours) degree from the University of Hong Kong, a Doctor of Philosophy degree and a Higher Doctor of Science degree from the University of London, U.K.. He was a postdoctoral fellow at the California Institute of Technology and University of Southern California. He also held the Honorary Degree of Doctor of Humanities from The Hong Kong Polytechnic University in 2009. Professor Poon is currently the chairman of Virya Foundation Limited (a registered non-profit charitable organisation). He is an Emeritus Professor and the President Emeritus of The Hong Kong Polytechnic University and had devoted 40 years of his life to advancing university education in Hong Kong before he retired in January 2009 from his 18-year presidency at The Hong Kong Polytechnic University. Professor Poon was appointed a non-official Justice of the Peace in 1989 and received the OBE award in 1991, the Gold Bauhinia Star award in 2002, and the “Leader of the Year Awards 2008 (Education)”. In addition, Professor Poon was appointed as a member of the Legislative Council (1985-1991) and a member of the National Committee of the Chinese People’s Political Consultative Conference (1998-2013). Professor Poon is a non-executive director of Lee & Man Paper Manufacturing Limited and an independent non-executive director of Henderson Land Development Company Limited, The Hong Kong and China Gas Company Limited and Hopewell Highway Infrastructure Limited. Professor Poon was an independent non-executive director of K. Wah International Holdings Limited and resigned on 31 July 2015. All of those companies are public companies listed on the Main Board of the Stock Exchange. Professor Poon was entitled to an annual emolument of HK\$250,000 for the year ended 31 March 2016 which was determined by the Remuneration Committee of the Board with reference to the Company’s performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above and as at 7 July 2016, being the latest practicable date prior to the printing of this circular (the “Latest Practicable Date”), none of the retiring Directors (i) hold any directorship in any listed public companies in the last three years; (ii) hold any position in any member of the Group nor have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company or their respective associates; (iii) have any interests in the shares of the Company or its respective associates which are required to be disclosed under Part XV of the SFO; and (iv) have any service contract with the Company nor have any specified term for the length or proposed length of service with the Company in respect of their directorship. The retiring Directors are subject to retirement by rotation at least once every three years at the annual general meeting of the Company in accordance with the Company’s Bye-laws.

In relation to the re-election of the three retiring Directors, there is no information to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there any other matters concerning them that need to be brought to the attention of the shareholders of the Company.

GENERAL MANDATE TO ISSUE SHARES

Resolution 5 to be proposed at the 2016 Annual General Meeting (“Resolution 5”) relates to the granting of a general mandate which will empower the Directors to allot, issue and deal with additional Shares not exceeding 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the resolution (including making and granting offers, agreements and options which would or might require Shares to be issued, allotted or dealt with) (the “Share Issue Mandate”) during the period up to the next annual general meeting of the Company, or at the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or applicable law to be held, or on revocation or variation of Resolution 5 by an ordinary resolution of the shareholders at general meeting, whichever is the earliest. Details of the proposed resolution on the Share Issue Mandate are set out in Resolution 5 of the notice of Annual General Meeting.

As at the Latest Practicable Date, there were 301,928,440 Shares in issue. Therefore, subject to the passing of the proposed Resolution 5 at the 2016 Annual General Meeting and on the assumption that prior to the date of the proposed resolution no additional Shares will be issued and no Shares will be repurchased by the Company, the Company would be allowed under the mandate to issue a maximum of 60,385,688 Shares.

GENERAL MANDATE TO REPURCHASE OF SHARES

The Company is allowed by its Memorandum of Association and Bye-Laws and the applicable laws and requirements of Bermuda to repurchase its own Shares.

Resolution 6 to be proposed at the 2016 Annual General Meeting (“Resolution 6”) relates to the granting of a general mandate to the Directors to repurchase, on the Stock Exchange, Shares up to a maximum of 10 per cent of the issued share capital of the Company as at the date of the proposed resolution (the “Repurchase Mandate”).

The Shares to be purchased by the Company are fully paid-up. As at the Latest Practicable Date, there were 301,928,440 Shares in issue. Therefore, subject to the passing of the proposed Resolution 6 at the 2016 Annual General Meeting and on the assumption that prior to the date of the proposed resolution no additional Shares will be issued and no Shares will be repurchased by the Company, the Company would be allowed under the mandate to repurchase a maximum of 30,192,844 Shares.

REASONS FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the interests of the Company and its shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and the Shares were trading at a substantial discount to their underlying net asset value. Repurchases of the Shares may enhance the Company’s net asset value per Share and earnings per Share. In these circumstances, the ability of the Company to repurchase Shares can be beneficial to those shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of the Shares repurchased by the Company. Furthermore, exercise of the mandate granted under the Repurchase Mandate by the Directors would increase the trading volume of the Shares on the Stock Exchange.

The Directors do not expect there to be any material adverse impact on the working capital or gearing position of the Company, as compared with the position disclosed in the latest audited financial statements of the Company for the year ended 31 March 2016, as a result of repurchases made under the Repurchase Mandate even if the mandate is exercised in full. However, no purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited financial statements) unless the Directors consider that such purchases would be in the best interests of the Company notwithstanding such material adverse impact.

FUNDING OF REPURCHASES

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-Laws and the applicable laws and regulations of Bermuda which provide that the Shares may be repurchased out of the profits of the Company and/or out of the proceeds of a fresh issue of the Shares made for this purpose and/or even out of the capital paid up on the repurchased Shares.

DISCLOSURE OF INTERESTS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed Resolution 6 in accordance with the Listing Rules and all applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) presently intend to sell the Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved by shareholders at the 2016 Annual General Meeting.

Meanwhile, the Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company, in the event that the Repurchase Mandate is approved by shareholders at the 2016 Annual General Meeting.

If, on the exercise of the powers granted under the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of rule 32 of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of such increase, may obtain or consolidate control of the Company and thereby obliged to make a mandatory general offer in accordance with rule 26 of the Takeovers Code.

As at the Latest Practicable Date and insofar the Directors are aware of, the substantial shareholders of the Company are as follows:

Name of Substantial Shareholder	Capacity	Number of Shares held	at present	% of Issued Share Capital if power is exercised in full to repurchase Shares
			%	%
CHOW Yei Ching	Beneficial owner	189,490,248	62.76	69.73
MIYAKAWA Michiko	Beneficial owner	189,490,248	62.76	69.73

Note:

Under Part XV of the SFO, Ms Miyakawa Michiko, the spouse of Dr Chow, is deemed to be interested in the same parcel of 189,490,248 Shares held by Dr Chow.

In the event that the Directors exercise in full such powers under the Repurchase Mandate and on the basis that there is no other change in the then issued share capital of the Company, the interest of the above substantial shareholders would be increased to approximately the percentage shown in the last column above. The Directors consider that such increase would not give rise to an obligation to make a mandatory offer under rule 26 of the Takeovers Code.

The Directors will not repurchase Shares if the repurchase would result in the number of Shares which are in the hands of the public falling below 25%, being the relevant minimum prescribed percentage for the Company as required by the Stock Exchange.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
July 2015	15.45	13.35
August 2015	15.47	13.44
September 2015	14.66	13.20
October 2015	13.98	13.14
November 2015	13.80	12.90
December 2015	13.60	12.80
January 2016	13.30	11.20
February 2016	12.28	11.26
March 2016	12.48	11.64
April 2016	12.72	12.00
May 2016	12.76	12.00
June 2016	12.80	12.16
July 2016 (up to the Latest Practicable Date)	12.62	12.40

REPURCHASE OF SHARES MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

Resolution 7 to be proposed at the 2016 Annual General Meeting (“Resolution 7”) relates to the extension of the 20 per cent general mandate to be granted. Subject to the passing at the 2016 Annual General Meeting of Resolution 5, Resolution 6 and Resolution 7, the Directors will be given a general mandate to add all those number of Shares which may from time to time be purchased under the Repurchase Mandate to the 20 per cent general mandate, thus, the limit of the Share Issue Mandate would include, in addition to the 20 per cent limit as aforesaid, the number of Shares repurchased under the Repurchase Mandate.

2016 ANNUAL GENERAL MEETING

The notice convening the 2016 Annual General Meeting is set out on pages 8 to 10 of this circular.

A form of proxy for use at the 2016 Annual General Meeting is being sent to the shareholders together with this circular. Whether or not you are able to attend the meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s Branch Share Registrar in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2016 Annual General Meeting if you so wish.

VOTING BY POLL

Under Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the ordinary resolutions proposed at the 2016 Annual General Meeting will also be taken by poll. A poll results announcement will be made by the Company after the 2016 Annual General Meeting in accordance with Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors consider that the re-election of the three retiring Directors, the Share Issue Mandate, the Repurchase Mandate and the Extension of Share Issue Mandate are in the best interests of the Company and its shareholders and accordingly recommend all the shareholders to vote in favour of the relevant resolutions to be proposed at the 2016 Annual General Meeting.

Yours faithfully
For and on behalf of the Board
Chevalier International Holdings Limited
KUOK Hoi Sang
Co-Chairman and Managing Director

NOTICE OF ANNUAL GENERAL MEETING



CHEVALIER INTERNATIONAL HOLDINGS LIMITED

其士國際集團有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 25)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of the Company will be held at 22nd Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Hong Kong on Friday, 2 September 2016 at 10:30 a.m. for the following purposes:

As Ordinary Business

1. To receive and consider the audited financial statements and the Reports of the Directors and Independent Auditor for the year ended 31 March 2016.
2. To declare a final dividend.
3. To re-elect retiring directors and authorise the board of directors to fix remuneration of directors.
4. To re-appoint Auditors and authorise the board of directors to fix their remuneration.

And as Special Business, to consider and, if thought fit, pass with or without modification the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

5. **“THAT:**
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an offer, agreement or option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of subscription rights under any share option scheme of the Company or (iii) an issue of shares as scrip dividends pursuant to the Bye-laws of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this Resolution and Resolution 6:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws of Bermuda to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in a general meeting.

“Rights Issue” means the allotment, issue or grant of shares pursuant to an offer (open for a period fixed by the directors of the Company) made to shareholders or any class thereof on the Register of Members of the Company on a fixed record date pro rata to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements of having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in Resolution 5(d) above) all powers of the Company to repurchase its shares in the capital of the Company, subject to and in accordance with Memorandum of Association and Bye-Laws and all applicable laws and requirements of Bermuda and of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved; and
- (b) the aggregate nominal amount of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on the date of this Resolution and the authority pursuant to paragraph (a) above shall be limited accordingly.”

7. **“THAT:**

subject to the passing of Resolutions 5 and 6 set out in the notice of this meeting, the total number of Shares which are repurchased or otherwise acquired by the Company pursuant to Resolution 6 shall be added to the total number of Shares which may be issued pursuant to Resolution 5.”

By Order of the Board
MUI Chin Leung
Company Secretary

Hong Kong, 15 July 2016

NOTICE OF ANNUAL GENERAL MEETING

Principal Place of Business:
22nd Floor
Chevalier Commercial Centre
8 Wang Hoi Road
Kowloon Bay
Hong Kong

Registered Office:
Canon's Court
22 Victoria Street
Hamilton, HM 12
Bermuda

Notes:

- (1) A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and, in the event of a poll, to vote in his stead. A proxy need not be a member of the Company.
- (2) In order to be valid, a form of proxy, together with the power of attorney or other authority (if any), must be deposited at the Company's Branch Share Registrar in Hong Kong, TRICOR STANDARD LIMITED at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting.
- (3) An explanatory statement regarding the re-election of the three retiring Directors of the Company, granting general mandates to issue new shares and to repurchase own shares of the Company will be despatched to the members of the Company together with this notice.
- (4) Information on the three retiring Directors are set out in pages 2 to 3 to this circular which this notice forms part.