

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability 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

其士國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 25)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF DEVELOPMENT RIGHT FOR THE LAND AND RESUMPTION OF TRADING

THE DEVELOPMENT RIGHT

On 13 June 2017, URA notified Chevalier Pacific that URA has accepted the Tender Offer submitted by and awarded the Development Right in respect of the Land to Chevalier Pacific.

The consideration payable by Chevalier Pacific for the Development Right is HK\$680 million.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

TRADING HALT AND RESUMPTION

Trading of the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 14 June 2017 pending the release of this announcement. Application has been made for resumption of trading of the Shares with effect from 9:00 a.m. on 15 June 2017.

THE DEVELOPMENT RIGHT

On 13 June 2017, URA notified Chevalier Pacific that URA has accepted the Tender Offer submitted by and awarded the Development Right in respect of the Land to Chevalier Pacific.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, URA is a third party independent of the Company and its connected persons.

Consideration

The consideration payable by Chevalier Pacific for the Development Right is HK\$680 million, which has been paid/shall be payable as to HK\$50 million as a deposit on submission of the Tender Offer on 25 May 2017 and as to the balance of HK\$630 million upon execution of the Development Agreement in respect of the Acquisition and the development of the Property, which agreement shall be executed within 21 business days after the date of the acceptance notification on 13 June 2017. The Company shall also enter into a guarantee and funding agreement in favour of URA in respect of the obligations of Chevalier Pacific to complete the development of the Land in accordance with the terms of the Development Agreement. In the event of any breach by Chevalier Pacific of the terms of the Tender Offer after its acceptance by URA, the HK\$50 million deposit shall be absolutely forfeited to URA.

The consideration represents the tender price submitted by Chevalier Pacific and the successful tender price for the Development Right under a tender process conducted by URA. The tender price was determined by Chevalier Pacific after having regard to, among other things, the development potential of the Land. The Company intends to fund the consideration for the Acquisition and the future development costs by the Group's internal resources and bank borrowings in due course.

The Land and development plan

The Land, covers a site area of 768 sq. m., is located at Fuk Chak Street/Li Tak Street in Tai Kok Tsui, Kowloon, Hong Kong to be known as Kowloon Inland Lot No. 11259. The Land is presently planned to be developed into small to medium sized residential units with a total residential gross floor area of about 5,103 sq. m. and 637 sq. m. of commercial gross floor area. The occupation permit of the Property shall be obtained within 45 months after the site handover, and development works is tentatively for completion by 2020/2021.

Other terms

It shall be a term of the Development Agreement that URA shall be entitled to the surplus of the proceeds from the sale of the units of the Property in excess of HK\$1,050 million in the agreed percentage set out below:

<i>Amount of surplus sale proceeds</i>	<i>Entitlement to surplus sale proceeds</i>
Up to HK\$30 million	20%
Exceeding HK\$30 million but up to H\$60 million	30%
Exceeding HK\$60 million but up to HK\$90 million	40%
Exceeding HK\$90 million	50%

In the event that there are unsold units at the expiration of 24 months after the date of consent to assign or certificate of compliance (whichever is the earlier), Chevalier Pacific and URA shall agree between them (with the appointment of an independent professional valuer if appropriate) the market value of the unsold units for the purpose of determining the surplus as described above.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company and the principal activities of its subsidiaries include construction and engineering, property investment, property development and operations, senior housing and car dealership.

The development of the Land is to be undertaken by the Group in its ordinary and usual course of business. The terms of the Acquisition are determined after having considered the requirements of the tender set by URA and the development potential of the Land. The Directors consider the Acquisition represents an opportunity for the Group to build up its land bank and further expand its property development business. The Directors consider the terms of the Acquisition to be fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

TRADING HALT AND RESUMPTION

Trading of the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 14 June 2017 pending the release of this announcement. Application has been made for resumption of trading of the Shares with effect from 9:00 a.m. on 15 June 2017.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the Development Right
“Board”	the board of Directors
“Chevalier Pacific”	Chevalier Pacific Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Company”	Chevalier International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 25)
“Development Agreement”	the agreement to be executed between Chevalier Pacific and URA in relation to the Acquisition and the development of the Land
“Development Right”	the right to develop the Land
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Land”	the development site known as Kowloon Inland Lot No. 11259
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the residential/commercial properties to be developed on the Land
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender Offer”	the offer for the Acquisition submitted by Chevalier Pacific under the tender conducted by URA
“URA”	Urban Renewal Authority
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Chevalier International Holdings Limited
KUOK Hoi Sang
Co-Chairman and Managing Director

Hong Kong, 14 June 2017

As at the date of this announcement, the Board comprises Dr. Chow Yei Ching (Co-Chairman), Messrs. Kuok Hoi Sang (Co-Chairman and Managing Director), Tam Kwok Wing (Deputy Managing Director), Ho Chung Leung, Ma Chi Wing and Miss Lily Chow as Executive Directors; Dr. Chow Ming Kuen, Joseph, Mr. Yang Chuen Liang, Charles, Professor Poon Chung Kwong and Mr. Irons Sze as Independent Non-Executive Directors; Dr. Ko Chan Gock, William and Mr. Chow Vee Tsung, Oscar as Non-Executive Directors.

* *For identification purpose only*