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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)**

### **INSIDE INFORMATION**

This announcement is made by Chevalier International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that CIH (BVI) Limited (“CIH BVI”), a wholly-owned subsidiary of the Company, and Qi Yang Holdings Limited (“QY Holdings”) agreed to implement certain changes to the board compositions (the “Changes”) of Qi Yang Chevalier Investment Company Limited (“QY Chevalier”) and its wholly-owned subsidiary, 啓陽(成都)投資管理有限公司 (Qi Yang (Chengdu) Investment Management Limited\*) (“QY Chengdu”). QY Chevalier is owned as to 40% by CIH BVI and as to 60% by QY Holdings. QY Chevalier and its certain subsidiaries (the “QY Group”) have been accounted for as interest in associates in the consolidated financial statements of the Group. Save for being a 60% shareholder of QY Chevalier and thus a connected person (as defined in the Listing Rules) after the Changes, QY Holdings is otherwise independent of the Company and its connected person (as defined in the Listing Rules).

Pursuant to the Changes which became effective on 30 March 2017, the board of directors of each of QY Chevalier and QY Chengdu shall comprise five members, of which three shall be appointed by CIH BVI and two shall be appointed by QY Holdings. As a result of the Changes, CIH BVI shall be able to control the respective board of directors of QY Chevalier and QY Chengdu. As such, the QY Group shall be accounted for as subsidiaries of the Group. No consideration has been paid or is payable by the Company for the Changes and there has not been any changes to the respective equity interest held by CIH BVI and QY Holdings in QY Chevalier. The Changes were agreed between QY Holdings and CIH BVI after arm’s length negotiations and allow the Group to step up its participation in the operations and strengthen the corporate governance of the QY Group.

The QY Group is principally engaged in the car dealership business in Sichuan Province, the People's Republic of China. For each of the two years ended 31 December 2015 and 2016, the unaudited combined revenue of the QY Group amounted to RMB1,437 million (equivalent to approximately HK\$1,768 million) and RMB1,323 million (equivalent to approximately HK\$1,535 million) respectively. Following the Changes, the financial statements of the QY Group will be consolidated into the financial statements of the Group. It is expected that the revenue of the Group will be increased after the Changes due to the inclusion of the QY Group's revenue. The Changes however are not expected to result in any material changes to the Group's net assets and the net profits attributable to shareholders of the Company.

**Shareholders and potential investors of the Company are advised to exercise caution in dealing in the shares of the Company.**

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

Hong Kong, 30 March 2017

*As at the date of this announcement, the Board of the Company 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*