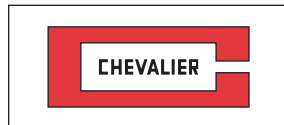


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CHEVALIER INTERNATIONAL HOLDINGS LIMITED

其士國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 25)

BUSINESS UPDATE ON DISCLOSEABLE TRANSACTION

Reference is made to the announcement of Chevalier International Holdings Limited dated 2 January 2020 (the “**Announcement**”) regarding a discloseable transaction in relation to disposal of certain senior housing facilities located in the U.S. by the Group. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

Subsequent to the Agreement, there were further negotiations among the Vendors and the Purchaser to extend the completion of the Disposal due to changes in market environment caused by the enduring impact of the COVID-19 pandemic.

On 31 May 2021, the Vendors and the Purchaser, after further considering the adverse impacts of the COVID-19 pandemic on the U.S. economy, entered into an agreement (the “**Amendment Agreement**”) to further amend the terms of the Agreement (as amended, the “**Amended Agreement**”). The major amendments include (i) the number of target companies subject to disposal being reduced from eight to six (the “**Six Target Companies**”), with a corresponding reduction in the number of senior housing facilities subject to disposal from seven to five (the “**Five Properties**”); (ii) the consideration for the disposal of the Six Target Companies (the “**Revised Disposal**”) under the Amended Agreement being US\$22.5 million (equivalent to approximately HK\$175.5 million), subject to (a) downward adjustment for an amount equal to 98.6% of the outstanding loan balance and accrued interest which shall remain with Windsor House upon completion (which is expected to be around US\$5.1 million (equivalent to approximately HK\$39.78 million)) and (b) upward adjustment reflecting the capital expenditures which may be incurred on the Five Properties between the date of the Amendment Agreement and the Revised Completion Date (as defined below) (the “**Revised Consideration**”); and (iii) the completion date for the Revised Disposal being no later than 30 June 2021 (the “**Revised Completion Date**”). The Six Target Companies and the Five Properties comprise (i) NC4 Autumn Village, LLC (Autumn Village), (ii) NC4 Cedarmtn, LLC (Cedar Mountain House), (iii) NC4 Edenton, LLC (Edenton House), (iv) NC4 Windsor, LLC and NC4 Windsor II, LLC (Windsor House and the vacant property adjacent thereto) and (v) NC4 Williamston, LLC (Williamston House). There are certain other amendments to the Agreement which are not material in nature.

The Directors are of the view that the terms of the Amended Agreement are normal commercial terms and fair and reasonable, and the Revised Disposal represents an attractive opportunity for the Group to realise its investments in the Five Properties in the current challenging business environment which is in the interests of the Company and the Shareholders as a whole. The Directors consider that the Amendment Agreement does not pose any material impact to the operation and the financial position of the Group.

Pursuant to the terms of the Amended Agreement, the Revised Disposal does not constitute a notifiable transaction of the Company as all applicable percentage ratios in respect of the Revised Disposal are below 5%. This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules to provide an update on the Disposal to the Shareholders and the investing public.

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

Hong Kong, 31 May 2021

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

* *For identification purpose only*