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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)**

### **SUBSCRIPTION OF ORDINARY AND PREFERENCE SHARES**

**AND**

### **COMPLETION OF ACQUISITION**

This announcement is made by Chevalier International Holdings Limited (the “Company”) pursuant to Rule 13.09(2) of The Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Reference is made to the announcement of the Company dated 17 October 2012 in relation to the Shareholders’ Agreement entered into among Quality King (a wholly-owned subsidiary of the Company), AMICO, HG and CAAM regarding the investment in CAAM. Reference is also made to the announcement of the Company dated 26 February 2013 in relation to the Sale Deed regarding the acquisition of shares in the Target (Moraitis Group Pty Limited) by King Bid Co (now an indirect subsidiary of CAAM) and the subscription deed regarding the subscription of shares in Holdco 1 (the intermediate holding company of King Bid Co) by CAAM. Capitalised terms used herein have the same meanings as those defined in the aforesaid announcements unless otherwise specified.

The Board is pleased to announce that:

- (a) pursuant to the Shareholders’ Agreement (as amended and restated), Quality King has subscribed for further 4,999,500 CAAM Ordinary Shares at the subscription price of A\$1 per CAAM Ordinary Share (representing approximately 38.46% of all the issued CAAM Ordinary Shares); and

- (b) pursuant to the subscription agreement dated 8 April 2013 and made between Quality King as the subscriber and CAAM as the issuer and as contemplated under the Shareholders' Agreement (as amended and restated), Quality King has subscribed for 28,143,000 CAAM Preference Shares at the subscription price of A\$1 per CAAM Preference Share (representing all the CAAM Preference Shares in issue).

The subscriptions were completed, and the CAAM Ordinary Shares and CAAM Preference Shares were issued to Quality King, on 8 April 2013. The subscription monies from the issue of the CAAM Ordinary Shares and the CAAM Preference Shares together with a loan (the "Loan") from an independent financial institution were applied towards payment for the subscription of shares in and making certain loans to Holdco 1, which in turn has applied the same in part payment for the consideration for the Acquisition, all of which were completed on 8 April 2013 (the "Completion"). The consideration for the Acquisition was revised from approximately A\$211.25 million as disclosed in the Company's announcement dated 26 February 2013 to approximately A\$211.82 million (equivalent to approximately HK\$1,715 million). To fund the increased consideration and working capital of CAAM, Quality King has agreed to subscribe for an additional 1,328,104 CAAM Preference Shares at a subscription price of A\$1 each shortly after Completion. The aggregate of 29,471,104 CAAM Preference Shares subscribed and to be subscribed for by Quality King as described above is within the maximum limit of 35,000,000 CAAM Preference Shares committed to be subscribed for by Quality King under the Shareholders' Agreement (as amended and restated). On Completion, Quality King has also made certain loans in the sum of A\$2.8 million (equivalent to approximately HK\$23 million) to certain shareholders (the "Borrowers") of a corporate shareholder of CAAM on normal commercial terms with security and negotiated on an arm's length basis to finance in part its subscription of CAAM Ordinary Shares as contemplated under the Shareholders' Agreement (as amended and restated). The Borrowers are independent third parties not connected with the Company and its connected persons.

In conjunction with the Loan, (i) Quality King and all other shareholders of CAAM have charged the respective CAAM Ordinary Shares and CAAM Preference Shares held by them to the financial institution as security for the Loan; (ii) the Company and Quality King have executed the deed of non-competition undertaking in favour of the financial institution not to undertake any business that is in competition with CAAM save the existing businesses that are now carried on by the Company; (iii) Quality King has entered into an equity option agreement (the "Equity Option Agreement") pursuant to which, inter alia, CAAM has granted certain equity option in the CAAM Ordinary Shares to the financial institution and Quality King has undertaken to procure CAAM to comply with its obligations thereunder; and (iv) the Company has entered into an undertaking agreement undertaking to provide capital injections to CAAM to cover any repayment and interest shortfall under the Loan subject to a limit of US\$2,000,000.

The Target is one of the leading fruit and vegetable supplier aggregators and suppliers of fresh produce in Australia, recording revenue of over A\$490 million (equivalent to approximately HK\$3,967 million) for the year ended 27 June 2012. After Completion, the Company aims to further grow the Target in Australia by increasing market share and further product penetration. The Company also plans to utilise the Target as a platform to provide investment, farm management and distribution services to investors looking for agricultural investment opportunities in Australia. Concurrently, the Target will explore opportunities for export of fresh produce to Mainland China. In the medium to long term, the Company aims to make use of the Target's know-how and expertise in farm management to retail supply chain solutions to find opportunities to expand into Mainland China's fresh produce industry.

Immediately after Completion, CAAM holds a 70% interest in Holdco 1 while Holdco 1 holds a 100% interest in King Bid Co which in turn holds a 100% interest in the Target. Quality King is interested in approximately 38.46% of the issued CAAM Ordinary Shares and CAAM is accounted for as an associated company of the Company. Upon full conversion of the CAAM Preference Shares and assuming that the equity option under the Equity Option Agreement is exercised in full and that no additional CAAM Ordinary Shares will be issued, Quality King will be interested in approximately 72.47% of the issued CAAM Ordinary Shares and CAAM will become an indirect subsidiary of the Company. The Company will comply with applicable Listing Rules requirements and make further announcement where necessary if Quality King exercises the conversion rights attaching to the CAAM Preference Shares and obtains control of CAAM.

*This announcement contains translation between A\$ and HK\$ at the rate of A\$1.0 = HK\$8.095. The translation rate is for indication purposes only and should not be taken as a representation that the relevant currencies could actually be converted at that rate or at all.*

By Order of the Board  
**Chevalier International Holdings Limited**  
**Chow Yei Ching**  
*Chairman*

Hong Kong, 8 April 2013

*As at the date of this announcement, the Board comprises Dr. Chow Yei Ching (Chairman), Messrs. Kuok Hoi Sang (Vice Chairman and Managing Director), Tam Kwok Wing (Deputy Managing Director), Chow Vee Tsung, Oscar, Ho Chung Leung, Ma Chi Wing and Miss Lily Chow as executive Directors; Dr. Chow Ming Kuen, Joseph, Messrs. Sun Kai Dah, George and Yang Chuen Liang, Charles and Professor Poon Chung Kwong as independent non-executive Directors; and Dr. Ko Chan Gock, William as non-executive Director.*

\* *for identification purpose only*