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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)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY AND RESUMPTION OF TRADING

THE ACQUISITION

The Board is pleased to announce that on 23 March 2018, Ample Trade Limited, the Purchaser, an indirect wholly-owned subsidiary of the Company, received the Acceptance of Offer in relation to the tender submitted by the Purchaser for the purchase of the Property at the purchase price of HK\$402,880,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition is/are greater than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

TRADING HALT AND RESUMPTION

Trading of the Shares on the Stock Exchange was halted with effect from 1:00 p.m. on 23 March 2018 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 27 March 2018.

INTRODUCTION

The Board is pleased to announce that on 23 March 2018, Ample Trade Limited, the Purchaser, an indirect wholly-owned subsidiary of the Company, received the Acceptance of Offer in relation to the tender submitted by the Purchaser for the purchase of the Property at the purchase price of HK\$402,880,000.

DETAILS OF THE ACQUISITION

Date

Tender Closing Date: 16 March 2018

Date of Acceptance of Offer: 23 March 2018

Parties

Vendor: Hang Seng School of Commerce

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an education organisation in Hong Kong and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Purchaser: Ample Trade Limited, an indirect wholly-owned subsidiary of the Company

Information of the Property

The Property is ALL THOSE pieces and parcel of ground registered in the Tai Po District Office as Lot Nos. 740 and 741 in Demarcation District No. 179 and of and in the message erections and building thereon, which comprises House Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 12A, 14, 15, 16, 17, 18, 19 and 20 of Harmony Lodge, 5 Hang Lok Lane, Shatin, Hong Kong. The permitted use of the Property is residential purpose.

Existing Tenancies of the Property

The Property is sold to the Purchaser with fifteen existing tenancies in respect of the Property, five of which will expire in 2018, eight of which will expire in 2019 and two of which will expire in 2020. The aggregate current monthly rental of the fifteen existing tenancies amounts to HK\$490,500. The Property is being acquired together with the rights and benefits of the subsisting tenancy agreements.

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

Purchase price and payment terms

The purchase price of the Property is HK\$402,880,000 paid or to be paid by the Purchaser to the Vendor or the Vendor's solicitor in the following manner:

- (a) an initial deposit in the sum of HK\$35,000,000 paid on 16 March 2018 as tender payment;
- (b) a further deposit in the sum of HK\$5,288,000 (being 10% of the purchase price less the initial deposit of HK\$35,000,000) to be paid on 4 April 2018;
- (c) the remaining balance of 90% of the purchase price in the sum of HK\$362,592,000 to be paid on the completion of the Acquisition.

The purchase price represents the tender price submitted by the Purchaser and the successful tender price for the Property under a public tender process conducted by the Vendor. The tender price was determined by the Purchaser after having regard to, among other things, the redevelopment potential in the area in which the Property is situated and the overall prospect of the property market in Hong Kong. The Company intends to fund the purchase price for the Acquisition by the Group's internal resources, and/or bank borrowing.

Completion of the Acquisition

Completion of the Acquisition shall take place on or before 30 May 2018.

REASONS FOR 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 Acquisition is in the ordinary and usual course of the Group's business. The Group will consider redeveloping the site when the timing is appropriate. The Company believes that, in view of the demands in property market in Hong Kong, together with the Group's experience in real estate projects in Hong Kong, the Acquisition represents an opportunity for the Group to further expand its property investment and development, which will allow the Group to capture future capital appreciation. The terms of the Acquisition are determined after having considered the requirements of the tender, the redevelopment potential in the area in which the Property is situated and the overall prospect of the property market in Hong Kong. The Directors consider the terms of the Acquisition are on normal commercial terms, which are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

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DEFINITIONS

Unless the context otherwise requires, the following terms have the following meanings when used in this announcement:

“Acceptance of Offer”	the letter of the offer acceptance dated 23 March 2018 signed by the Vendor in relation to the Property
“Acquisition”	the acquisition of the Property by the Purchaser through public tender
“Board”	the board of Directors
“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)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Property”	ALL THOSE pieces and parcel of ground registered in the Tai Po District Office as Lot Nos. 740 and 741 in Demarcation District No. 179 and of and in the message erections and building thereon, which comprises House Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 12A, 14, 15, 16, 17, 18, 19 and 20 of Harmony Lodge, 5 Hang Lok Lane, Shatin, Hong Kong
“Purchaser”	Ample Trade Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“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
“Vendor”	Hang Seng School of Commerce
“%”	per cent

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

Hong Kong, 26 March 2018

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; 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 purposes only*