



PRESS RELEASE

30 August 2006

**CHEVALIER ITECH ISSUES 18,800,000 NEWS SHARES
TO EXPAND FOOD AND BEVERAGE BUSINESS**

(Hong Kong, 30 August 2006) -Chevalier iTech Holdings Limited, ("CiTL" or the "Company") (stock code: 508), a subsidiary of Chevalier International Holdings Limited (stock code: 25), today announced that it has entered into an agreement with Gentfull Investment Limited ("Gentfull"), a wholly-owned subsidiary of Nan Fung Resources Limited which is an investment company under Nan Fung Group, to issue 18,800,000 new shares to be subscribed by Gentfull for an aggregate consideration of HK\$44,744,000.

The subscription price is HK\$2.38 per share, representing a discount of approximately 11.2% to the closing price of HK\$2.68 per share as quoted on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") on 29 August 2006, or a premium of approximately 2.5% to the average closing price of HK\$2.322 per share as quoted on the Stock Exchange for the last ten trading days up to and including 29 August 2006.

The subscription shares represent approximately 10.97% of the existing issued share capital of CiTL and approximately 9.89% of the issued share capital of the Company as enlarged by the allotment. The net proceeds from the subscription will amount to approximately HK\$44,600,000.

Dr. Chow Yei Ching, Chairman of CiTL, said, "We are pleased to have Gentfull join us as a substantial shareholder of Chevalier iTech. It shows that they have confidence in our business strategies and prospects. Prompted by our successful experience with Pacific Coffee, we have been actively looking for opportunities to expand our food and beverage business, and the fund raised from the share issue will help us achieve our goal. We will keep a close eye on the market and grasp any opportunities that can take our business to new heights "

ABOUT CHEVALIER ITECH HOLDINGS LIMITED

CiTL is an investment holding company which, through its subsidiaries, is principally engaged in computer and information communication technology, food and beverage and investment in securities. The Company tapped the lucrative global retail lifestyle food and beverages business after it completed the acquisition of Pacific Coffee in May 2005.

ABOUT NAN FUNG GROUP

Nan Fung Group is one of the famous property developers in Hong Kong with diversified activities in cotton spinning, shipping, construction, real estate management, share and securities investments etc.

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