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**Wincon Capital
Investment Limited**
*(Incorporated in the British Virgin
Islands with limited liability)*

**Chevalier International
Holdings Limited**
其士國際集團有限公司*
*(Incorporated in Bermuda
with limited liability)*
(Stock code: 25)

**Chevalier Pacific
Holdings Limited**
其士泛亞控股有限公司*
*(Incorporated in Bermuda
with limited liability)*
(Stock code: 508)

JOINT ANNOUNCEMENT

(1) PROPOSED CAPITAL REORGANISATION OF CHEVALIER PACIFIC HOLDINGS LIMITED;

**(2) DISCLOSEABLE TRANSACTION FOR
CHEVALIER INTERNATIONAL HOLDINGS LIMITED,
AND CONNECTED TRANSACTION AND VERY SUBSTANTIAL DISPOSAL FOR
CHEVALIER PACIFIC HOLDINGS LIMITED IN RELATION TO
THE SALE AND PURCHASE OF SHARP RISE LIMITED;**

**(3) AGREEMENT IN RELATION TO THE SALE AND PURCHASE OF SHARES IN
CHEVALIER PACIFIC HOLDINGS LIMITED AND
MAJOR TRANSACTION FOR CHEVALIER INTERNATIONAL HOLDINGS LIMITED;**

**(4) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFERS BY
KINGSTON SECURITIES LIMITED
ON BEHALF OF
WINCON CAPITAL INVESTMENT LIMITED
FOR ALL THE ISSUED SHARES IN CHEVALIER PACIFIC HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED
BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL OUTSTANDING CONSULTANT OPTIONS;**

AND

**(5) RESUMPTION OF TRADING IN THE SHARES OF
CHEVALIER INTERNATIONAL HOLDINGS LIMITED AND
CHEVALIER PACIFIC HOLDINGS LIMITED**

**Financial adviser to
Wincon Capital Investment Limited**



KINGSTON CORPORATE FINANCE LIMITED

**Financial adviser to
Chevalier Pacific Holdings Limited**



Optima Capital Limited

**Independent financial adviser to the Independent Board Committee
and Independent Shareholders of Chevalier Pacific Holdings Limited**

Quam  **華富嘉洛
CAPITAL 企業融資**

The Capital Reorganisation

The CPHL Board proposes to implement the Capital Reorganisation which will involve (i) the reduction of the issued share capital of CPHL through a cancellation of the paid-up capital of CPHL to the extent of HK\$0.04 on each of the existing issued CPHL Shares from HK\$0.05 to HK\$0.01; (ii) the reduction of the nominal value of all the CPHL Shares comprising the authorised share capital of CPHL; (iii) the cancellation of a sum of HK\$30.0 million standing to the credit of CPHL's share premium account; and (iv) the transfer of the credit arising from the cancellation of the paid-up capital and the share premium of CPHL to the contributed surplus account of CPHL.

The Capital Reorganisation is subject to the prior approval of the CPHL Shareholders. As no CPHL Shareholder has an interest in the Capital Reorganisation which is different from that of the other CPHL Shareholders, no CPHL Shareholder is required to abstain from voting on the resolution in relation to the Capital Reorganisation.

Subject to the Capital Reorganisation becoming effective and completion of the Asset Reorganisation, the CPHL Board intends to declare and make the Special Distribution to the CPHL Shareholders in the aggregate amount of not less than HK\$100.0 million. Further announcement will be made by CPHL in this regard as and when appropriate.

The Asset Reorganisation Agreement

On 17 June 2011, CIHL and CPHL entered into the Asset Reorganisation Agreement, pursuant to which CPHL has conditionally agreed to sell and CIHL has conditionally agreed to purchase the Sharp Rise Shares, representing the entire issued share capital of Sharp Rise at the date of the Asset Reorganisation Completion, at an aggregate cash consideration of HK\$246,000,000. The Asset Reorganisation is conditional upon fulfillment or waiver of the conditions specified in the Asset Reorganisation Agreement and as described under the sub-section headed "Conditions" under the section headed "The Asset Reorganisation – The Asset Reorganisation Agreement" in this joint announcement.

The Asset Reorganisation Completion is subject to, among other things, the Share Sale Completion.

The Share Sale Agreement

On 17 June 2011, CIHL and the Offeror entered into the Share Sale Agreement, pursuant to which CIHL has conditionally agreed to sell and the Offeror has conditionally agreed to purchase the Sale Shares, being 1,285,829,330 CPHL Shares, representing approximately 54.14% of the entire issued share capital of CPHL as at the date of the Share Sale Agreement, at an aggregate consideration of HK\$243,622,000. The Share Sale is conditional upon fulfillment or waiver of the conditions specified in the Share Sale Agreement and as described under the sub-section headed "Conditions" under the section headed "The Share Sale – The Share Sale Agreement" in this joint announcement.

Possible mandatory unconditional cash offers

Upon Share Sale Completion, the Offeror and parties acting in concert with it will be interested in 1,285,829,330 CPHL Shares, representing approximately 54.14% of the entire issued share capital of CPHL. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make mandatory unconditional general offers in cash for all the issued CPHL Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) and to cancel all the outstanding Consultant Options.

Kingston Securities will, on behalf of the Offeror, make the Offers in compliance with the Takeovers Code at HK\$0.18947 per Offer Share in cash, which is equal to the price per Sale Share paid by the Offeror under the Share Sale Agreement, and HK\$0.01 for all Consultant Options.

Regulatory implications

CIHL

As the profits ratio and consideration ratio calculated under Rule 14.07 of the Listing Rules exceed 5% but are below 25%, the Asset Reorganisation constitutes a discloseable transaction for CIHL under the Listing Rules. As the profits ratio calculated under Rule 14.07 of the Listing Rules exceeds 25% but is below 75%, the Share Sale constitutes a major transaction for CIHL under the Listing Rules and is therefore subject to the prior approval of the CIHL Shareholders. As no CIHL Shareholder would have a material interest in the Share Sale which is different from the interests of the other CIHL Shareholders, no CIHL Shareholder would be required to abstain from voting. Dr. Chow Yei Ching, the controlling CIHL Shareholder who is interested in 154,682,359 CIHL Shares (representing approximately 55.73% of the issued share capital of CIHL) as at the date of this joint announcement, has given his written consent for the Share Sale Agreement and the transactions contemplated thereunder. The written consent has been accepted in lieu of holding a special general meeting to approve the Share Sale Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

CPHL

As each of the assets ratio, profits ratio and revenue ratio calculated under Rule 14.07 of the Listing Rules exceeds 75%, the Asset Reorganisation constitutes a very substantial disposal for CPHL under the Listing Rules. By virtue of CIHL's controlling interest in CPHL, the Asset Reorganisation also constitutes a connected transaction for CPHL under the Listing Rules and a special deal for CPHL under Rule 25 of the Takeovers Code. The Asset Reorganisation is therefore subject to the approval of the Independent CPHL Shareholders at the CPHL SGM by way of poll. The Asset Reorganisation is also subject to the approval of the Executive.

Independent Board Committee and Independent Financial Adviser

CPHL has established the Independent Board Committee comprising all the independent non-executive CPHL Directors who have no direct or indirect interest in the Asset Reorganisation and the Offers, namely Mr. WU King Cheong, Mr. LEUNG Kwong Kin and Mr. LAU Kai Shu, Frank, to advise the Independent CPHL Shareholders on the terms of the Asset Reorganisation and the Offers. Quam Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent CPHL Shareholders in respect of the Asset Reorganisation and the Offers. The appointment of Quam Capital Limited as the independent financial adviser has been approved by the Independent Board Committee.

Despatch of documents

CIHL

A circular containing, among other things, information regarding the Share Sale and other information as required under the Listing Rules will be despatched by CIHL to the CIHL Shareholders as soon as practicable in accordance with the Listing Rules.

CPHL

A circular containing, among other things, information regarding the Capital Reorganisation and the Asset Reorganisation, the recommendation from the Independent Board Committee, the letter of advice from the Independent Financial Adviser in relation to the Asset Reorganisation, financial information of the CPHL Group and the Remaining CPHL Group and the notice of the CPHL SGM will be despatched by CPHL to the CPHL Shareholders as soon as practicable in accordance with the Listing Rules and the Takeovers Code. As additional time is required to finalise the information to be included in the circular, including but not limited to the financial information of the CPHL Group and the Sharp Rise Group and the proforma financial information of the Remaining CPHL Group, the circular of CPHL is expected to be despatched to the CPHL Shareholders on or before Thursday, 25 August 2011.

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror is required to despatch an offer document in relation to the Offers and CPHL is required to send to CPHL Shareholders within 14 days of the posting of the offer document a circular containing, among other things, financial information of the CPHL Group, together with any other information CPHL considers to be relevant to enable CPHL Shareholders to reach a properly informed decision on the Offers. It is the intention of the Offeror and the CPHL Board that the offer document and the offeree board circular be combined in the Composite Offer Document. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the consent of the Executive is required if the making of the Offers are subject to the prior fulfillment of certain pre-conditions and the pre-conditions cannot be fulfilled within the time period required by Rule 8.2 of the Takeovers Code. As the making of the Offers are conditional upon the Share Sale Completion, it is expected that an application will be made to the Executive to extend the deadline for the despatch of the Composite Offer Document, together with the form(s) of acceptance and transfer, to a date within 7 days upon the Share Sale Completion or such later date as the Executive may approve. Further announcement will be made by the Offeror and CPHL on the timing of the despatch of the Composite Offer Document.

Suspension and resumption of trading

At the request of each of CIHL and CPHL, trading in the CIHL Shares and CPHL Shares on the Stock Exchange has been suspended respectively with effect from 9:00 a.m. on Monday, 20 June 2011 pending the release of this joint announcement. Applications have been made by each of CIHL and CPHL to the Stock Exchange for the resumption of trading in the CIHL Shares and CPHL Shares respectively on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 13 July 2011.

Warning

CIHL Shareholders, CPHL Shareholders and potential investors of CIHL and CPHL should note that the Asset Reorganisation Completion and the Share Sale Completion are conditional upon the fulfillment or waiver of certain Asset Reorganisation Conditions and Share Sale Conditions respectively and the Offers will only be made if the Asset Reorganisation Completion and the Share Sale Completion take place. Accordingly, the Asset Reorganisation Agreement and the Share Sale Agreement may or may not be completed and the Offers may or may not proceed. CIHL Shareholders, CPHL Shareholders and potential investors of CIHL and CPHL are advised to exercise extreme caution when dealing in the CIHL Shares and CPHL Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Reference is made to the announcement made by CIHL and CPHL jointly on 23 May 2011 in relation to, among others, the possible disposal of CPHL Shares owned by CIHL to an independent third party.

A. CAPITAL REORGANISATION

Terms of the Capital Reorganisation

The CPHL Board proposes to implement the Capital Reorganisation which involves the following:

- (i) the reduction of the issued share capital of CPHL through a cancellation of the paid-up capital of CPHL to the extent of HK\$0.04 on each of the existing issued CPHL Shares from HK\$0.05 to HK\$0.01;
- (ii) the reduction of the nominal value of all of the CPHL Shares comprising the authorised share capital of CPHL from HK\$0.05 to HK\$0.01 each;
- (iii) the cancellation of a sum of HK\$30.0 million standing to the credit of CPHL's share premium account; and
- (iv) the transfer of the credit arising from the cancellation of the paid-up capital and the share premium of CPHL to the contributed surplus account of CPHL.

The credit arising from the Capital Reduction and the Share Premium Reduction will be used in any manner permitted by the laws of Bermuda and the bye-laws of CPHL.

As at the date hereof, the authorised share capital of CPHL is HK\$175,000,000 comprising 3,500,000,000 CPHL Shares of HK\$0.05 each, of which 2,375,095,170 CPHL Shares are in issue. Upon the Capital Reorganisation becoming effective, the authorised share capital of CPHL will become HK\$35,000,000 comprising 3,500,000,000 CPHL Shares of HK\$0.01 each, of which 2,375,095,170 CPHL Shares of HK\$0.01 each will be in issue. The credit arising from the Capital Reduction amounting to approximately HK\$95.0 million will be transferred to the contributed surplus account of CPHL. Taking into account the amount standing to the credit of the contributed surplus account of approximately HK\$38.6 million as at 31 March 2011 and HK\$30.0 million arising from the Share Premium Reduction, the amount standing to the credit of the contributed surplus account of CPHL upon the Capital Reorganisation becoming effective is expected to be approximately HK\$163.6 million.

The Capital Reorganisation will reduce the authorised and issued share capital of CPHL.

The legal advisers to CPHL as to Bermuda law have confirmed that, subject to the conditions of the Capital Reorganisation as set out below being satisfied, the proposed Capital Reorganisation will be in compliance with the laws of Bermuda.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional on the following:

- (i) the passing by the CPHL Shareholders of the necessary resolutions approving the Capital Reorganisation at the CPHL SGM;

- (ii) the compliance with the relevant procedures and requirements under Bermuda law and the Listing Rules to effect the Capital Reorganisation; and
- (iii) the Stock Exchange granting the listing of, and permission to deal in, the CPHL Shares to be in issue immediately upon the Capital Reorganisation becoming effective.

An application will be made by CPHL to the Stock Exchange for the listing of, and permission to deal in, the CPHL Shares to be in issue upon the Capital Reorganisation becoming effective.

Reasons for the Capital Reorganisation

The CPHL Board is of the opinion that the Capital Reorganisation will enable CPHL to utilise the credit arising from the Capital Reorganisation to declare distributions to the CPHL Shareholders at an earlier opportunity in the future and the CPHL Board believes that the Capital Reorganisation is in the interest of CPHL and the CPHL Shareholders as a whole.

Expected timetable for the Capital Reorganisation

Assuming the above conditions are fulfilled, it is expected that the Capital Reorganisation will become effective on the date of passing the resolutions approving the Capital Reorganisation.

Effects of the Capital Reorganisation

Implementation of the Capital Reorganisation will not, of itself, alter the underlying assets, liabilities, business, operations, management, financial position or the shareholders' funds of CPHL or the proportionate interests of the CPHL Shareholders, except for the payment of the related expenses. The CPHL Board believes that the Capital Reorganisation will not have any adverse effect on the financial position of the CPHL Group, and the CPHL Board believes that on the effective date of the Capital Reorganisation, there will be no reasonable grounds for believing that CPHL is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. No shareholders' funds of CPHL will be lost as a result of the Capital Reorganisation and, except for the expenses involved in relation to the Capital Reorganisation which are expected to be insignificant in the context of the net asset value of CPHL, the net asset value of CPHL will remain unchanged before and after the Capital Reorganisation becoming effective. The Capital Reorganisation will reduce the authorised and issued share capital of CPHL, but it will not result in any change in the relative rights of the CPHL Shareholders.

The existing certificates of the CPHL Shares will remain effective as documents of title and valid for trading and settlement purposes after the effective date of the Capital Reorganisation. There will not be any arrangement for the exchange of existing certificates of the CPHL Shares for new certificates of the CPHL Shares with the reduced par value.

Subject to the Capital Reorganisation taking effect and completion of the Asset Reorganisation, the CPHL Board intends to make the Special Distribution to the CPHL Shareholders in the aggregate amount of not less than HK\$100.0 million (equivalent to not less than HK\$0.0421 per CPHL Share). It is one of the conditions precedent to the Share Sale Completion that the Special Distribution becomes effective. Accordingly, it is expected that CPHL will declare the Special Distribution before the Share Sale Completion to the CPHL Shareholders whose names appear on the register of members of CPHL on a date before the date of the Share Sale Completion. Further announcement will be made by CPHL in this regard as and when appropriate.

B. THE ASSET REORGANISATION

The Asset Reorganisation Agreement

Date

17 June 2011

Parties

- (i) CPHL, as vendor; and
- (ii) CIHL, as purchaser.

Subject matter

Pursuant to the Asset Reorganisation Agreement, CPHL has conditionally agreed to sell and CIHL has conditionally agreed to purchase the Sharp Rise Shares, representing the entire issued share capital of Sharp Rise in issue as at the date of the Asset Reorganisation Completion. The Sharp Rise Shares shall be acquired free from Encumbrances and together with all rights attaching thereto with effect from the date of the Asset Reorganisation Completion.

Consideration

The consideration for the Sharp Rise Shares shall be HK\$246,000,000, which shall be payable by CIHL in cash on the Asset Reorganisation Completion.

Conditions

The Asset Reorganisation Completion is conditional upon:

- (i) the Independent CPHL Shareholders and (if required) the CIHL Shareholders (save and except for those who are required to abstain from voting as required under the Listing Rules and the Takeovers Code) having passed an ordinary resolution to approve by way of poll the Asset Reorganisation Agreement and the transactions contemplated thereunder at the general meetings of CPHL and (if required) CIHL;

- (ii) all necessary consents and approvals from third parties, regulatory and governmental entities having been obtained, including the consent from the Executive that the transactions contemplated under the Asset Reorganisation Agreement will not constitute frustrating actions under Rule 4 of the Takeovers Code and the consent and approval of the Executive in the case that the transactions contemplated under the Asset Reorganisation Agreement constitute special deal(s) under Rule 25 of the Takeovers Code;
- (iii) completion of the transactions contemplated by the Share Sale Agreement and the transactions contemplated by the Asset Reorganisation Agreement shall take place simultaneously on the date of completion; and
- (iv) the allotment and issue of 22,225,699 shares of US\$1 each in Sharp Rise to CPHL by way of capitalisation of the shareholders' loan due from the Sharp Rise Group to CPHL of approximately HK\$173.4 million having been completed.

Completion

The Asset Reorganisation Completion shall take place on the seventh (7th) Business Day after the date on which all the conditions above (except for condition (iii) which shall be satisfied or waived on the Asset Reorganisation Completion) are satisfied or waived (or such later date as the parties may agree in writing).

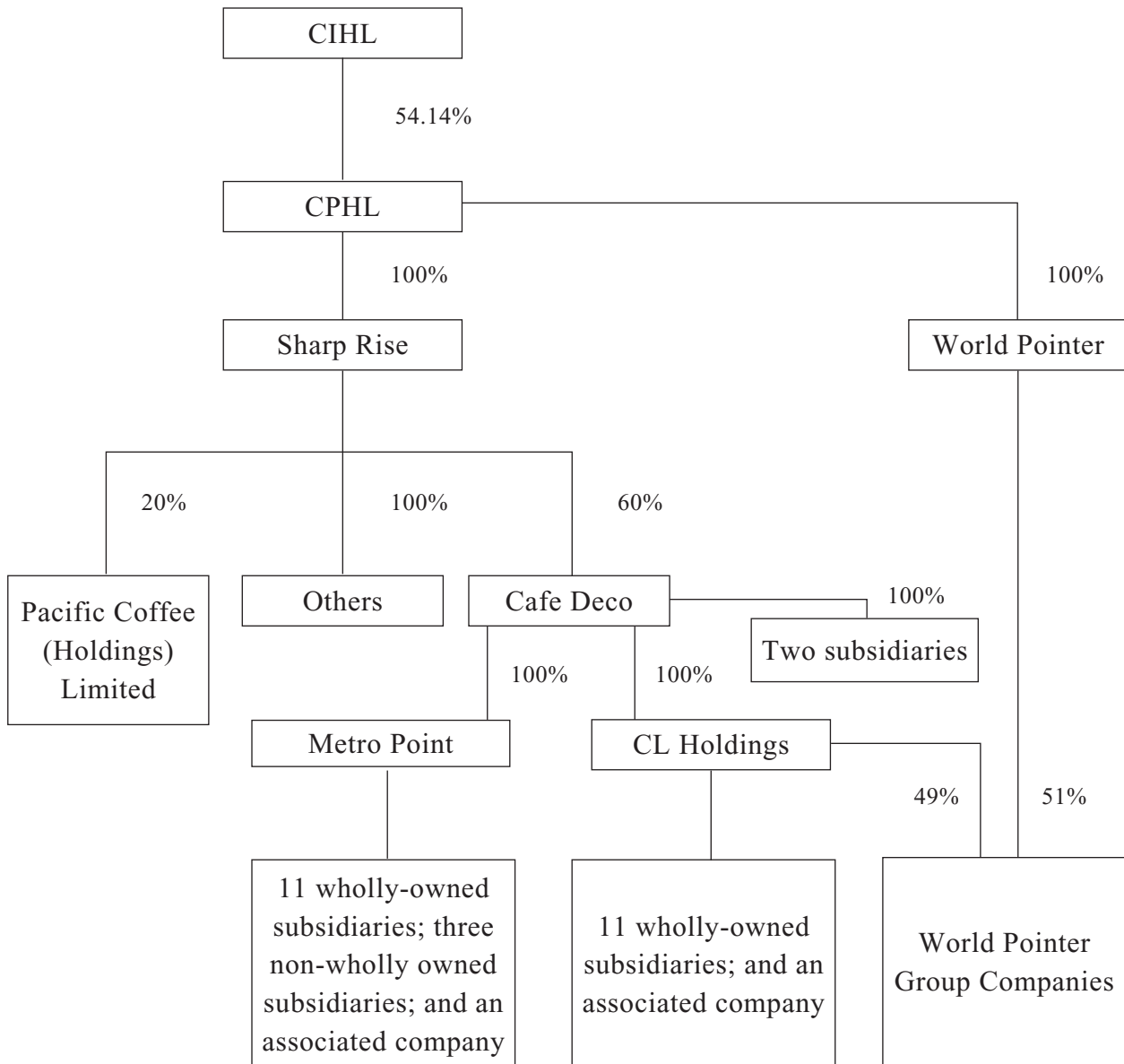
If the Asset Reorganisation Conditions are not fulfilled or waived by the Long Stop Date, the Asset Reorganisation Agreement shall become null and void and none of the parties shall have any rights against the other except for liability for failure to use all reasonable endeavours to fulfil the same.

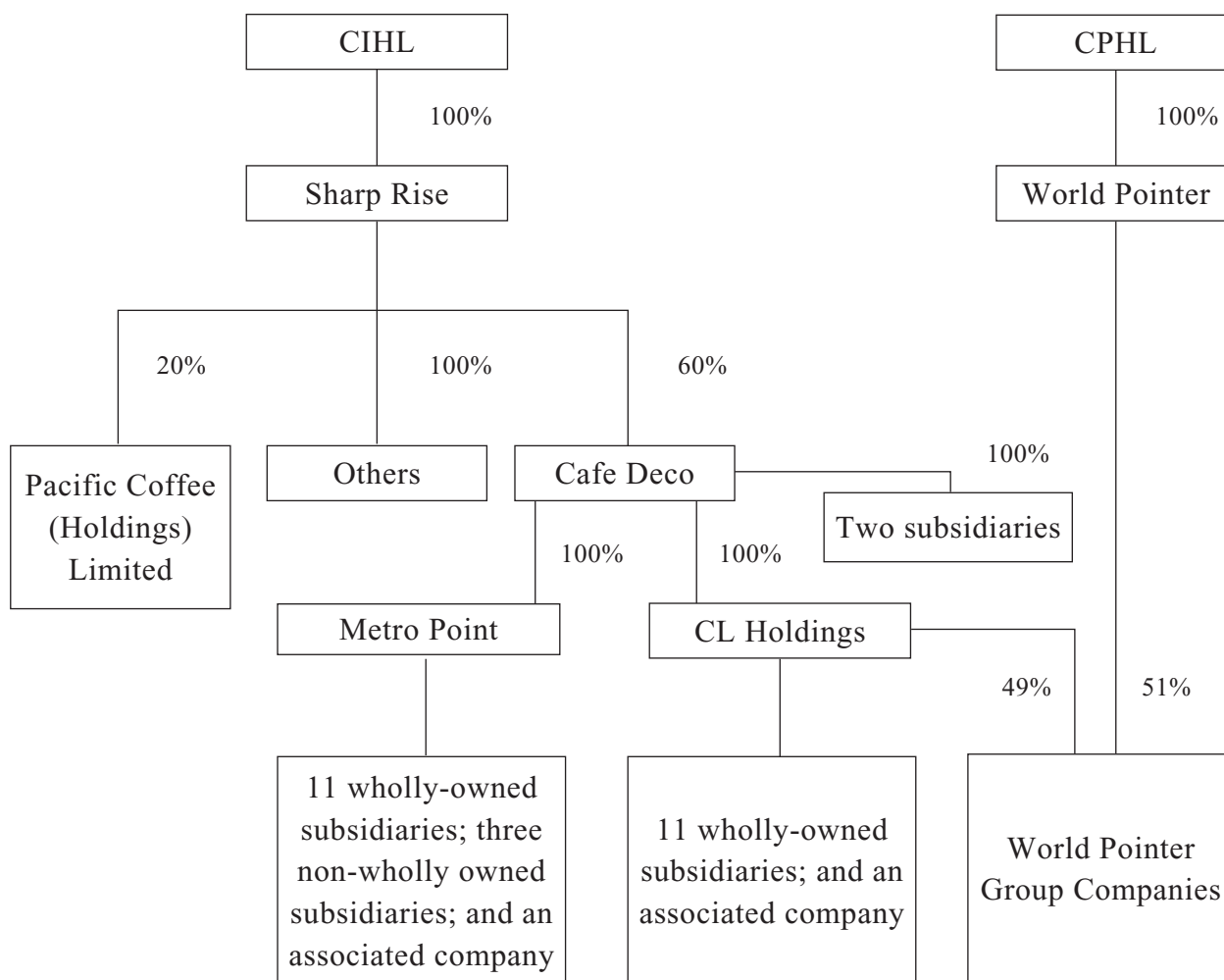
Following the Asset Reorganisation Completion, CPHL will cease to hold any interest in Sharp Rise and Sharp Rise will cease to be a subsidiary of CPHL.

Information about the Sharp Rise Group

The Sharp Rise Group is principally engaged in the business of food and beverages in Hong Kong, Macau and Australia. The simplified organisation chart of the Sharp Rise Group is set out below:

Before the Asset Reorganisation





The principal assets of the Sharp Rise Group comprise (i) a 20% interest in Pacific Coffee (Holdings) Limited which together with its subsidiaries are engaged in the sale of high quality, premium roasted whole bean coffees, specialty coffees and cold beverages along with coffee-related hardware and supplies under the brand name of “Pacific Coffee”; (ii) a 60% interest in Cafe Deco which together with its subsidiaries and associated companies are engaged in the operations and management of restaurant outlets in various styles. As at the date of this joint announcement, Cafe Deco and its subsidiaries and associated companies together operate a total of 40 restaurant outlets including Watermark, Cafe de Paris, The Boathouse, Cafe Duvet, Pier 7 Cafe & Bar, Tonic, Mooz, Pickled Pelican, Peel, Bourbon, Wildfire chain stores, Cafe Deco Bar & Grill, Peak Cafe Bar, Sakesan, Top Deck in Hong Kong, Cafe Deco Macao at the Venetian Macao-Resort-Hotel and Cafe Sydney in Australia; and (iii) an effective 6.67% interest in an unlisted private equity venture capital fund. The fund was established in the Cayman Islands in 2005 with objectives for making long term investments in listed and unlisted securities or equity related securities in companies of which the business or substantial assets are in the PRC. The fund is managed by East Gate Capital Partners Pte. Ltd., who is a third party independent of CPHL and its connected persons. The remaining 80% interest in Pacific Coffee (Holdings) Limited is held by a wholly-owned subsidiary of China Resources Enterprise, Limited, a company listed on the Main Board of the Stock Exchange (stock code: 291); and the remaining 40% interest in Cafe Deco is held by International Restaurants Holdings Limited, a company beneficially owned by the previous owners of Metro Point. Certain

restaurant outlets operated under CPHL including Cafe Deco, Peak Cafe Bar, Sakesan, Top Deck in Hong Kong, Cafe Deco Macao at The Venetian Macao-Resort-Hotel and Cafe Sydney in Australia were held by CPHL for less than 12 months. The aforesaid were acquired by CPHL as part of the merger of the food and beverages business of the CPHL Group and the Metro Point Group implemented in December 2010. Details of the merger are set out in the circular of CPHL dated 25 February 2011 and the annual report of CPHL for the year ended 31 March 2011.

Reasons for the Asset Reorganisation

After arm's length negotiations between the Offeror and CIHL, and taking into account: (i) the entire structure of the Offers, the Asset Reorganisation and the Special Distribution; and (ii) the consideration for the Sale Shares to be paid by the Offeror to CIHL, it has been mutually agreed between the Offeror and CIHL that the Share Sale Completion shall be conditional upon completion of the Asset Reorganisation and the Special Distribution, such that the Offeror will acquire the controlling stake in CPHL, the business of which will then be streamlined and principally engaged in the business conducted by the Remaining CPHL Group upon the Share Sale Completion. The CPHL Board considers that the Asset Reorganisation will facilitate the Share Sale Completion and the Special Distribution and, accordingly, the Share Offer to the CPHL Shareholders and the Option Offer to the holders of the Consultant Options. Save for the Asset Reorganisation Agreement, CPHL has not entered, or does not propose to enter, into any agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) and negotiation (whether concluded or not) and has no intention to dispose of or downsize its existing businesses.

The consideration for the Asset Reorganisation was determined between CIHL and CPHL after arm's length negotiations having taken into account the historical performance of the Sharp Rise Group, the consolidated net tangible assets value of the Sharp Rise Group as at 31 March 2011 and the expected capitalisation of the outstanding shareholder's loan, and the future prospects of the Sharp Rise Group.

Rules 14.58(6) and (7) of the Listing Rules require disclosure of the book value of the Sharp Rise Group and the net profits (both before and after taxation and extraordinary items) attributable to the Sharp Rise Group for the last two financial years (the "Required Financial Information") and Rule 14.60(3)(a) of the Listing Rules requires disclosure of details of the gain or loss expected to accrue to the CPHL Group (the "Expected Gain or Loss") and the basis for calculating such gain or loss as a result of the Asset Reorganisation in this joint announcement. In connection with these requirements, an application has been made by CPHL and a waiver has been granted by the Stock Exchange from the strict compliance by CPHL with the requirements of disclosing such information in this joint announcement. Such application was made on the grounds that (i) the Required Financial Information available to CPHL is unaudited and unpublished figures. The Expected Gain or Loss, which is derived from, among other things, the consideration for the Asset Reorganisation and the Required Financial Information, is also unaudited figure and if disclosed in this joint announcement will constitute profit forecasts within the meaning of Rule 10 of the Takeovers Code, which would need to be reported on or reviewed by an auditor and financial adviser of CPHL prior to its release; (ii) to provide clarity on the basis of computing the Expected Gain or Loss, it would be appropriate to disclose the Required Financial Information in conjunction with the Expected Gain

or Loss; and (iii) it would be burdensome for CPHL to withhold this joint announcement until such financial information which have been reported on or reviewed by an auditor and financial adviser of CPHL is available. In view of the Takeovers Code implications on CPHL as described above, an application has also been made by CIHL and a waiver has been granted by the Stock Exchange from the strict compliance by CIHL with the requirements of disclosing the Required Financial Information in this joint announcement pursuant to Rules 14.58(6) and (7) of the Listing Rules. The Required Financial Information and the Expected Gain or Loss will be reported on or reviewed by the auditor and financial adviser of CPHL, and will be disclosed in the circular to be despatched by CPHL in connection with the Capital Reorganisation and the Asset Reorganisation and in a joint announcement of CIHL and CPHL upon the despatch of the circular by CPHL.

CPHL intends to declare and make the Special Distribution in an aggregate amount of not less than HK\$100.0 million to the CPHL Shareholders, subject to the Capital Reorganisation taking effect and completion of the Asset Reorganisation. The proceeds (net of attributable expenses) from the Asset Reorganisation is estimated to be approximately HK\$244.0 million, and are expected to be applied as to not less than HK\$100.0 million towards the Special Distribution and as to the balance as general working capital and for future development and investments of the Remaining CPHL Group as and when opportunities arise.

In view of the cash inflow to be generated from the Asset Reorganisation and the Special Distribution being proposed subject to completion of the Asset Reorganisation, the CPHL Directors (other than the independent non-executive CPHL Directors who shall form their view after receiving the letter of advice from the Independent Financial Adviser) are of the view that the terms of the Asset Reorganisation Agreement are fair and reasonable and the Asset Reorganisation is in the interests of CPHL and the CPHL Shareholders as a whole.

CIHL at present holds an indirect interest in the Sharp Rise Group through CPHL. The Asset Reorganisation enables CIHL to hold the interest in the Sharp Rise Group directly and increase its effective percentage of interest in the food and beverages business undertaken by the Sharp Rise Group. The consideration payable for the Asset Reorganisation is intended to be funded by the internal resources of the CIHL Group and/or bank borrowings. The CIHL Directors (including the independent non-executive CIHL Directors) are of the view that the terms of the Asset Reorganisation Agreement are fair and reasonable and the Asset Reorganisation is in the interests of CIHL and the CIHL Shareholders as a whole.

Regulatory implications

As the profits ratio and consideration ratio calculated under Rule 14.07 of the Listing Rules exceed 5% but are below 25%, the Asset Reorganisation constitutes a discloseable transaction for CIHL under the Listing Rules.

As each of the assets ratio, profits ratio and revenue ratio calculated under Rule 14.07 of the Listing Rules exceeds 75%, the Asset Reorganisation constitutes a very substantial disposal for CPHL under the Listing Rules. As at the date of the Asset Reorganisation Agreement, CIHL held 1,285,829,330 CPHL Shares, representing approximately 54.14% of the existing CPHL Shares in issue. By virtue of CIHL's controlling interest in CPHL, the Asset Reorganisation also constitutes a connected transaction for CPHL under the Listing Rules and a special deal for CPHL under Rule 25 of the Takeovers Code. The Asset Reorganisation is therefore subject to the prior approval of the Independent CPHL Shareholders and those who are not involved in or interested in the Asset Reorganisation at the CPHL SGM by way of poll and the Independent Financial Advisor publicly states in its opinion that the terms of the transaction are fair and reasonable. The Asset Reorganisation is also subject to the approval of the Executive.

C. THE SHARE SALE

The Share Sale Agreement

Date

17 June 2011

Parties

- (i) CIHL, as vendor; and
- (ii) Wincon Capital Investment Limited, as purchaser.

To the best of the CIHL Directors' knowledge, information and belief having made all reasonable enquiries, the Offeror, its ultimate beneficial owner and parties acting in concert with any one of them are third parties independent of the CIHL Group and its connected persons.

Subject matter

Pursuant to the Share Sale Agreement, CIHL has conditionally agreed to sell and the Offeror has conditionally agreed to purchase the Sale Shares, being 1,285,829,330 CPHL Shares, representing approximately 54.14% of the entire issued share capital of CPHL as at the date of the Share Sale Agreement, free from all Encumbrances and together with all rights attaching thereto with effect from the Share Sale Completion, including all rights to any dividend (excluding the Special Distribution) or other distribution declared, made or paid on or after the date of Share Sale Completion. For the avoidance of doubt, the Offeror will not be entitled to the Special Distribution.

Consideration

The consideration for the Sale Shares shall be HK\$243,622,000, which was negotiated and determined on arm's length basis between CIHL and the Offeror with reference to the prevailing market prices of the CPHL Shares on the Last Trading Day and the consolidated net assets value of the CPHL Group (assuming completion of the Capital Reorganisation, the Asset Reorganisation and the Special Distribution).

Pursuant to the Share Sale Agreement, the entire consideration of the Sale Shares had been/will be satisfied in the following manner:

- (i) a refundable deposit of HK\$5,000,000 has been paid to CIHL; and
- (ii) the remaining balance of HK\$238,622,000 shall be payable by the Offeror to CIHL in cash upon Share Sale Completion.

Conditions

The Share Sale Completion under the Share Sale Agreement is conditional upon satisfaction (or waiver) of all of the following conditions (except condition (iv) below which shall be satisfied upon Share Sale Completion) on or prior to the Long Stop Date:

- (i) the passing by the Independent CPHL Shareholders (by way of poll) of the necessary resolutions approving the Asset Reorganisation Agreement and the transactions contemplated under the Asset Reorganisation Agreement at the CPHL SGM;
- (ii) if it is required under the Listing Rules or by the Stock Exchange, the passing by the CIHL Shareholders of the necessary resolutions approving the Share Sale Agreement and the transactions contemplated under the Share Sale Agreement in accordance with the Listing Rules;
- (iii) regarding the Asset Reorganisation Agreement, the consent (if applicable) from the Executive pursuant to the Takeovers Code (in particular the necessary consent as may be required from the Executive under Rule 25 of the Takeovers Code) having been obtained;
- (iv) the Asset Reorganisation having been completed;
- (v) all regulatory requirements (including but not limited to the regulatory requirements under the Listing Rules, Takeovers Code and all other relevant regulatory requirements in Hong Kong) in respect of the transactions contemplated under the Share Sale Agreement having been complied with (for the avoidance of doubt, no requirements under the Takeovers Code are applicable to CIHL);

- (vi) as at the date of Share Sale Completion, the warranties given by CIHL under the Share Sale Agreement remaining true and accurate in all material respects;
- (vii) no Material Adverse Change having occurred;
- (viii) from the date of the Share Sale Agreement to (and including) the date of Share Sale Completion, no moratorium, suspension or imposition of other material limitation(s) on the trading of CPHL Shares having been requested by the Stock Exchange or other stock exchange(s) (save for the suspension pending the release of any announcement in connection with the transactions contemplated under the Share Sale Agreement or temporary suspension for a period of not more than ten (10) consecutive trading days);
- (ix) the current listing of the CPHL Shares on the Stock Exchange having been maintained and the CPHL Shares continuing to be traded at any time from the date of the Share Sale Agreement to the Share Sale Completion (save for any suspension of the trading in CPHL Shares pending the approval by the SFC or the Stock Exchange being granted in connection with the Share Sale Agreement and the Offers) and there being no indication from the SFC or the Stock Exchange as at the Share Sale Completion or at any time prior to the Share Sale Completion that the listing of the CPHL Shares on the Stock Exchange will be or may be revoked or objected;
- (x) the Capital Reduction proposed to be implemented by CPHL after the date of the Share Sale Agreement becoming effective, upon (a) the passing by the CPHL Shareholders of the necessary resolutions approving the Capital Reduction at the CPHL SGM; (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new CPHL Shares; and (c) the compliance with the relevant procedures and requirements under Bermuda law (where applicable) and the Listing Rules to effect the Capital Reduction;
- (xi) the Share Premium Reduction proposed to be implemented by CPHL after the date of the Share Sale Agreement becoming effective, upon (a) the passing by the CPHL Shareholders of the necessary resolutions approving the Share Premium Reduction at the CPHL SGM; and (b) the compliance with the relevant procedures and requirements under Bermuda law (where applicable) and the Listing Rules to effect the Share Premium Reduction;
- (xii) upon completion of the Capital Reduction, the Share Premium Reduction and the Asset Reorganisation, the distribution of the credit standing in the contributed surplus account of CPHL arising from the Capital Reduction as declared by the CPHL Board becoming effective; and
- (xiii) within seven (7) days of the release of the announcement in connection with the transactions contemplated under the Share Sale Agreement (and such date shall not be later than 22 July 2011), the Consultancy Option Agreements having been terminated by CPHL (in accordance with the terms acceptable to CPHL) with Dadra Inc. and Exponential Opportunities Ltd. respectively.

Exponential Opportunities Ltd. confirmed that it does not hold any CPHL Shares and Dadra Inc. confirmed that it holds 400,000 CPHL Shares as at 30 June 2011.

The Offeror may at any time by notice in writing to CIHL waive any of the above Share Sale Conditions (other than conditions (i), (ii), (iii) and (v)) including in particular the cancellation of the option to subscribe for the CPHL Shares under the Consultancy Option Agreements.

If any of the conditions above is not satisfied on or prior to the Long Stop Date (and such condition has not been waived by the Offeror previously), the Offeror shall be entitled to issue a notice to CIHL on the Long Stop Date (a) to waive any conditions not having been satisfied by then; (b) to defer the Share Sale Completion and the Long Stop Date to a date (which shall be a Business Day) no later than fourteen (14) Business Days after the original Long Stop Date, provided that the Offeror shall notify CIHL in writing on the original Long Stop Date of the date so deferred; or (c) to rescind the Share Sale Agreement. If trading in the CPHL Shares has been suspended pending the release of an announcement in connection with the transactions contemplated under the Share Sale Agreement and such trading has not been resumed within thirty (30) days from the date of the Share Sale Agreement, the Share Sale Agreement shall cease to have any effect upon the lapse of the said 30-day period.

In such circumstances, the Share Sale Agreement and any matters provided in the Share Sale Agreement and the rights and obligations provided in the Share Sale Agreement and of each of the parties to the Share Sale Agreement, save in respect of claims arising out of antecedent breach of the terms of the Share Sale Agreement by a party against the other party, shall become null and void and cease to have any effect. CIHL shall within five (5) Business Days of such termination of the Share Sale Agreement refund the deposit of HK\$5,000,000 to the Offeror.

Completion

Share Sale Completion is to take place on the seventh (7th) Business Day after all the conditions (save for condition (iv) which shall be fulfilled or waived on the date of Share Sale Completion) referred to above have been fulfilled or waived in accordance with the terms of the Share Sale Agreement (or such other date as may be agreed between CIHL and the Offeror pursuant to the terms of the Share Sale Agreement).

Following the Share Sale Completion, CIHL will cease to hold any interest in CPHL and CPHL will cease to be a subsidiary of CIHL.

Warranty

It is a term of the Share Sale Agreement that CIHL warranted that, as at the date of the Share Sale Completion, the amount of cash and cash equivalents of CPHL shall not be less than HK\$150,000,000. Part of such fund shall be used to pay off the relevant legal and professional fees and expenses incurred by CPHL in connection with the Share Sale Agreement and the Asset Reorganisation Agreement up to an amount of HK\$3,000,000.

Change of the company name of CPHL

It was agreed in the Share Sale Agreement that, following Share Sale Completion, the name of CPHL will be changed from its existing name to a name without reference to “Chevalier” and “其士”. Further information in relation to the proposed new name of CPHL will be published under a separate announcement of CPHL.

Regulatory implications

As the profits ratio calculated under Rule 14.07 of the Listing Rules exceeds 25% but is below 75%, the Share Sale constitutes a major transaction for CIHL under the Listing Rules and therefore is subject to the prior approval of the CIHL Shareholders. As no CIHL Shareholder would have a material interest in the Share Sale which is different from the interests of the other CIHL Shareholders, no CIHL Shareholder would be required to abstain from voting. Dr. Chow Yei Ching, the controlling CIHL Shareholder who is interested in 154,682,359 CIHL Shares (representing approximately 55.73% of the issued share capital of CIHL) as at the date of this joint announcement, has given his written consent for the Share Sale Agreement and the transactions contemplated thereunder. The written consent has been accepted in lieu of holding a special general meeting to approve the Share Sale Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

D. INFORMATION OF CPHL

Existing principal activities and financial information

The CPHL Group is principally engaged in the business of food and beverages.

For the year ended 31 March 2010, the CPHL Group recorded audited consolidated loss before taxation from continuing operations of approximately HK\$26.1 million and audited consolidated loss after taxation from continuing operations of approximately HK\$26.4 million. For the year ended 31 March 2011, the CPHL Group recorded audited consolidated loss before taxation from continuing operations of approximately HK\$50.2 million and audited consolidated loss after taxation from continuing operations of approximately HK\$52.6 million. The audited consolidated shareholders' funds of CPHL as at 31 March 2011 were approximately HK\$282.8 million.

Shareholding structure

Set out below is a table showing the shareholding structure of CPHL (i) as at the date of this joint announcement; and (ii) immediately upon Share Sale Completion. The figures below assume that there is no changes in the shareholding structure of CPHL after the date hereof and have not taken into account the level of acceptance of the Share Offer.

	As at the date hereof		Immediately upon Share Sale Completion	
	Number of CPHL Shares	Approximate %	Number of CPHL Shares	Approximate %
The Offeror and its concert parties	–	–	1,285,829,330	54.14
CIHL	1,285,829,330	54.14	–	–
Mr. Oscar Chow (<i>Note 1</i>)	174,120,000	7.33	174,120,000	7.33
Mr. Kuok Hoi Sang (<i>Note 2</i>)	24,000,000	1.01	24,000,000	1.01
Other public CPHL Shareholders	891,145,840	37.52	891,145,840	37.52
Total	2,375,095,170	100.00	2,375,095,170	100.00

Notes :

- (1) Mr. Oscar Chow is an executive CPHL Director and has given an irrevocable undertaking to accept the Share Offer in respect of his holding in 174,120,000 CPHL Shares.
- (2) Mr. Kuok Hoi Sang is an executive CPHL Director, and the Vice Chairman and Managing Director of CIHL.

Business of the Remaining CPHL Group

Immediately after the Asset Reorganisation Completion, the Remaining CPHL Group will continue to hold 100% interest in World Pointer and 51% interest in the World Pointer Group Companies. The World Pointer Group Companies currently operate nine restaurants and three kiosks including but not limited to Watermark, The Boathouse, Pier 7 Cafe & Bar and Cafe de Paris (Soho) in Hong Kong.

As part of the merger of the food and beverages business of the CPHL Group and the Metro Point Group implemented in December 2010, each of the World Pointer Group Companies entered into the Management Agreements with Cafe Deco to appoint Cafe Deco as its sole agent to manage and operate the nine restaurants and three kiosks owned by the World Pointer Group Companies for the period from 21 December 2010 to 15 February 2014. Under the terms of the Management Agreements, Cafe Deco provides certain back-office support services to the restaurants and kiosks under the World Pointer Group Companies such as maintaining books of account, maintenance of restaurant premises, and repairs and decorations of the restaurants. It is a common industry practice to engage a management company to operate the restaurants for the owners of the restaurants. The Management Agreements are expected to continue after the Asset Reorganisation Completion and the Share Sale Completion.

Key aspects of operations and major decisions remain to be controlled by the board of directors or shareholders of the World Pointer Group Companies which includes, among other things:

- establishing the financial and operating policies of the World Pointer Group Companies such as accounting, treasury and operational policies, and internal and budgetary control systems;
- determining the management policies and practices such as administrative, personnel and marketing practices and policies in relation to the World Pointer Group Companies and the operation of the restaurants;
- appointment of and termination of the appointment of Cafe Deco and giving instructions to Cafe Deco in respect of the management of the World Pointer Group Companies; or setting up its own management team to manage the World Pointer Group Companies;
- key strategic operational decisions such as opening of new restaurant outlets, major capital expenditures for renovations of outlets, formulating business development plan and forming partnership with other companies; and
- declaration and approval of dividends.

Under the Management Agreements, Cafe Deco shall be entitled to a monthly management fee (the “Management Fee”) equivalent to 6% of the monthly gross sale arising from the operations of the restaurants under the World Pointer Group Companies, payable in arrears within 10 Business Days from the end of the relevant month. In addition, Cafe Deco shall also be entitled to an incentive fee (the “Incentive Fee”) up to 7% of the monthly gross sale arising from the operations of the restaurants under the World Pointer Group Companies if such restaurants have positive earnings before interest, tax, depreciation and amortisation (“EBITDA”), payable in arrears within seven days from the end of the relevant month.

The Incentive Fee shall be calculated in the following manner:

- (i) if the EBITDA over the monthly gross sales (the “EBITDA Margin”) after deduction of the Management Fee is less than 7%, Cafe Deco shall be entitled to receive an Incentive Fee equivalent to the EBITDA less the Management Fee; or
- (ii) if the EBITDA Margin after deduction of the Management Fee is 7% or more, the Incentive Fee shall be equivalent to 7% of the monthly gross sales.

Under the terms of the Management Agreements, the World Pointer Group Companies are only subject to the payment of the Management Fee and Incentive Fee to Cafe Deco as described above and there is no other compensation or fee payable to Cafe Deco. Cafe Deco shall be responsible to have the World Pointer Group Companies maintain sufficient cash flow for their operations. In the event the EBITDA of the World Pointer Group Companies is less than zero, Cafe Deco shall make up such shortfall on a dollar-to-dollar basis.

In addition, in conjunction with the merger of the food and beverages business of the CPHL Group and the Metro Point Group, CL Holdings and World Pointer also entered into the Option Agreement pursuant to which (i) CL Holdings irrevocably and unconditionally granted to World Pointer an option to sell all but not part of the 51% interest in the issued share capital of the World Pointer Group Companies to CL Holdings during the period from 1 January 2013 to 31 December 2013 at a cash consideration of HK\$25,000,000; and (ii) World Pointer irrevocably and unconditionally granted to CL Holdings an option to sell all but not part of the 49% interest in the issued share capital of the World Pointer Group Companies to World Pointer during the period from 1 January 2014 to 15 January 2014 at a cash consideration of HK\$24,019,608 provided that World Pointer has not exercised its option described in (i).

Given CL Holdings will be a connected person of CPHL upon the Asset Reorganisation Completion, the exercise of the option under the Option Agreement would constitute a connected transaction for CPHL under the Listing Rules. Accordingly, CPHL will comply with the requirements of Chapter 14A of the Listing Rules upon exercise of the option.

Details of the Management Agreements and the Option Agreement were disclosed in the circular of CPHL dated 25 February 2011.

E. POSSIBLE MANDATORY UNCONDITIONAL CASH OFFERS

Upon the Share Sale Completion, the Offeror and parties acting in concert with it will be interested in 1,285,829,330 CPHL Shares, representing approximately 54.14% of the entire issued share capital of CPHL. Save for the aforesaid, the Offeror and parties acting in concert with it do not have any other interests in any securities of CPHL. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make mandatory unconditional general offers in cash for all the issued CPHL Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) and to cancel all the outstanding Consultant Options.

Principal terms of the Offers

Subject to the Share Sale Completion, Kingston Securities will, on behalf of the Offeror, make the Offers in compliance with the Takeovers Code on terms to be set out in the Composite Offer Document on the following basis:

For every Offer Share. HK\$0.18947 in cash

For cancellation of all Consultant Options HK\$0.01 in cash

The Offer Price of HK\$0.18947 per Offer Share under the Share Offer is equal to the price per Sale Share paid by the Offeror under the Share Sale Agreement.

As at the date of this joint announcement, CPHL has a total of 2,375,095,170 CPHL Shares in issue and 150,000,000 Consultant Options outstanding. It is one of the conditions precedent to the Share Sale Completion that the Consultancy Option Agreements having been terminated by CPHL within seven days of the release of this announcement (and such date shall not be later than 22 July 2011). CPHL will execute termination deeds with the holders of the Consultant Options within the time frame stipulated in the Share Sale Agreement as described above to terminate the Consultant Option Agreements. As no investment project was identified by the consultants and completed by the CPHL Group under the Consultancy Option Agreements, the Consultancy Options are considered not vested under the terms of the Consultancy Option Agreements and no consideration will be payable by CPHL to the consultants for the termination of the Consultancy Option Agreements. If the outstanding Consultant Options are terminated as aforesaid, no Option Offer will be made to the holders of the outstanding Consultant Options. Save for the 150,000,000 Consultant Options, CPHL has no outstanding securities, options, derivatives or warrants which are convertible or exchangeable into the CPHL Shares and has not entered into any agreement for the issue of such securities, options, derivatives or warrants of CPHL.

In the event that the Consultant Options are not cancelled or terminated as stated above, or if the above condition (xiii) in the Share Sale Agreement is waived by the Offeror at any time by notice in writing to CIHL, the Option Offer will be made to the holders of the Consultant Options and will remain open for acceptance by the holders of the Consultant Options until the latest time and date for acceptance of the Offers unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. Arrangement will be made under the Option Offer to cancel the Consultant Options for a nominal payment of HK\$0.01 which was determined with reference to the intrinsic value of the Consultant Options. The exercise price of the Consultant Options of HK\$0.30 per CPHL Share (as adjusted by the share subdivision pursuant to the ordinary resolution passed by CPHL Shareholders on 30 March 2010) is well above the Offer Price of HK\$0.18947 per Offer Share under the Share Offer and therefore the Consultant Options carry no intrinsic value.

Comparison of value

The Offer Price of HK\$0.18947 per Offer Share represents:

- (i) a discount of approximately 36.84% to the closing price of HK\$0.30 per CPHL Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 41.88% to the average closing price of approximately HK\$0.326 per CPHL Share, being the average closing price of the CPHL Shares as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 43.53% to the average closing price of approximately HK\$0.3355 per CPHL Share, being the average closing price of the CPHL Shares as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 59.22% over the audited consolidated net assets value (excluding non-controlling interests) of approximately HK\$0.119 per CPHL Share as at 31 March 2011.

Highest and lowest CPHL Share prices

During the six-month period immediately preceding 23 May 2011 (being the date of a joint announcement made by CIHL and CPHL in relation to the Share Sale pursuant to Rule 3.7 of the Takeovers Code), the highest closing price of the CPHL Shares as quoted on the Stock Exchange was HK\$0.38 per CPHL Share on 20 May 2011 and the lowest closing price of the CPHL Shares as quoted on the Stock Exchange was HK\$0.25 per CPHL Share on 4 May 2011.

Value of the Offers

On the basis of the Offer Price of HK\$0.18947 per Offer Share and 2,375,095,170 CPHL Shares in issue as at the date of this joint announcement, the entire issued share capital of CPHL is valued at approximately HK\$450 million. Accordingly, 1,089,265,840 CPHL Shares will be subject to the Share Offer and are valued at approximately HK\$206.38 million on the basis of the Offer Price.

Should the Option Offer be made to the holders of the Consultant Options as stated under the paragraph headed “Principal terms of the Offers”, the total consideration payable under the Option Offer for cancellation of all the Consultant Options will amount to HK\$0.01.

Financial resources available for the Offers

The financial resources of the Offeror to fund the Offers, amounting to not less than HK\$206.40 million, are financed by the Facility granted by Kingston Securities.

Kingston Corporate Finance, being the financial adviser to the Offeror in respect of the Offers, is satisfied that there are sufficient financial resources available to the Offeror to satisfy full acceptances of the Offers.

Effects of accepting the Offers

By accepting the Offers, (a) the relevant CPHL Shareholders will sell their CPHL Shares to the Offeror free from Encumbrances and with all rights attached to them as at the date of the Share Sale Completion, including the right to receive all dividends and distributions declared, made or paid on or after the date of the Share Sale Completion (save for the Special Distribution) and (b) as the case may be, the relevant holders of the Consultant Options will surrender to CPHL their Consultant Options for cancellation by CPHL. As CPHL intends to declare the Special Distribution before the Share Sale Completion to the CPHL Shareholders whose names appear on the register of members of CPHL on a date before the Share Sale Completion, all CPHL Shareholders as at the relevant date (including CIHL) will be entitled to the Special Distribution. The entitlement to the Special Distribution will not be affected by the CPHL Shareholders’ decision as to whether or not to accept the Share Offer.

The making of the Offers to a person with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction. The CPHL Shareholders with registered addresses in jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements in their own jurisdictions.

Dealing and interests in CPHL's securities

None of the Offeror, Mr. Li nor parties acting in concert with any of them has dealt in the CPHL Shares, derivatives, warrants or other securities convertible into CPHL Shares during the six-month period prior to 23 May 2011 (being the date of a joint announcement made by CIHL and CPHL in relation to the Share Sale pursuant to Rule 3.7 of the Takeovers Code). As at the date of this joint announcement, save for the Share Sale under the Share Sale Agreement, the Offeror, Mr. Li and parties acting in concert with any of them have not entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in CPHL nor have any of them borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in CPHL. As at the date of this joint announcement, the Offeror, Mr. Li and parties acting in concert with any of them do not hold, own or control any CPHL Shares, outstanding options, derivatives, warrants or other securities convertible into CPHL Shares.

Stamp duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offers will be payable by relevant CPHL Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) consideration payable by the Offeror in respect of the relevant acceptances of the Offers, whichever is higher, and will be deducted from the cash amount payable by the Offeror on behalf of the relevant CPHL Shareholders accepting the Offers. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant CPHL Shareholders or the holders of the Consultant Options (as the case may be) accepting the Offers and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offers and the transfer of the CPHL Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Payment in cash in respect of duly completed and valid acceptances of the Offers will be made as soon as possible but in any event within 10 days of the date of receipt of a duly completed acceptance form.

Other arrangements

As at the date of this announcement, Mr. Oscar Chow, the managing director and executive director of CPHL, is interested in an aggregate of 174,120,000 CPHL Shares, representing approximately 7.33% of the issued share capital of CPHL. Pursuant to an irrevocable undertaking executed by Mr. Oscar Chow, Mr. Oscar Chow has irrevocably undertaken to, inter alia, accept the Share Offer in respect of the 174,120,000 CPHL Shares beneficially owned by him.

Save for the aforesaid, as at the date of this joint announcement, (i) there is no other arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the CPHL Shares and which might be material to the Offers; (ii) save for the Share Sale Agreement, there is no agreement or arrangement to which the Offeror or Mr. Li is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers; (iii) none of the Offeror, Mr. Li and parties acting in concert with any one of them has received any irrevocable commitment to accept the Offers; and (iv) none of the Offeror, Mr. Li and parties acting in concert with any one of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in CPHL.

F. INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability. The sole shareholder and director of the Offeror is Mr. Li. Immediately prior to the entering into of the Share Sale Agreement, the Offeror and its ultimate beneficial shareholder are third parties independent of and not connected with CPHL and its connected persons and do not hold any CPHL Shares. Other than the entering into of the Share Sale Agreement, the Offeror has not conducted any business since its incorporation. Biographical details of Mr. Li have been included under the paragraph headed “Offeror’s intention on CPHL” below.

G. INFORMATION ON THE CIHL GROUP AND REASONS FOR THE SHARE SALE AGREEMENT

The CIHL Group is principally engaged in the business of construction and engineering, insurance and investment, property development and investment, food and beverages, and computer and information communication technology.

The Share Sale serves to realise CIHL’s investments in CPHL, unlock the capital gain attributable to the Sale Shares and generate significant cash inflow for CIHL. The proceeds (after deducting related expenses) from the Share Sale are estimated to amount to approximately HK\$228.6 million and are intended to be retained as general working capital and for business development of the CIHL Group. Based on CIHL’s interest in the shareholders’ fund of CPHL as at 31 March 2011 and the terms of the Share Sale Agreement, CIHL is expected to record a gain of approximately HK\$129.2 million from the Share Sale (assuming the Special Distribution of HK\$100.0 million will be made by CPHL after the Asset Reorganisation). In view of the above, the CIHL Directors (including the independent non-executive CIHL Directors) are of the view that the terms of the Share Sale Agreement are fair and reasonable and the Share Sale is in the interests of CIHL and the CIHL Shareholders as a whole. CIHL Shareholders and investors should note that the exact financial effects of the Share Sale on the CIHL Group is subject to audit and is yet to be determined with reference to the value attributable to the Sale Shares as at the date of the Share Sale Completion.

H. OFFEROR'S INTENTION ON CPHL

As regards business and assets

It is the intention of the Offeror that the Remaining CPHL Group will continue with its existing principal businesses. As at the date of this announcement, the Offeror has not entered, or proposed to enter, into any agreement, arrangement, understanding or undertaking, whether formal or informal and whether express or implied, and negotiation (whether concluded or not) and intention to any assets injections to CPHL. The Offeror does not intend to introduce any major changes to the existing operations and business of CPHL. The Offeror will conduct a more detailed review on the operations of the Remaining CPHL Group with a view to formulating a comprehensive business strategy for the Remaining CPHL Group and subject to the result of the review, the Offeror may explore other business opportunities and consider whether any assets and/or business acquisitions by the Remaining CPHL Group will be appropriate in order to enhance its growth. The Offeror has no intention to discontinue the employment of the employees (save for a change in the composition of the CPHL Board) or to dispose of or deploy the assets of the Remaining CPHL Group other than those in its ordinary course of business. As at the date of this joint announcement, the Offeror has no intention or plans for any acquisition or disposal of assets and/or business by the Remaining CPHL Group.

CPHL Shareholders and investors should note that in the event that there is any acquisition of business or assets by CPHL after the Share Sale Completion, the Stock Exchange may treat such acquisition as a “reverse takeover” under Rule 14.06(6) of the Listing Rules and CPHL may be treated by the Stock Exchange as if it were a new listing applicant under Rule 14.54 of the Listing Rules.

As regards CPHL Board composition and employees

The CPHL Board is currently made up of eight CPHL Directors, comprising five executive CPHL Directors and three independent non-executive CPHL Directors.

All of the existing executive CPHL Directors and the independent non-executive CPHL Directors will resign from their office with effect from the earliest time permitted under the Takeovers Code. The Offeror intends to nominate Mr. Li and Mr. Su Xiaonong (“Mr. Su”) as executive CPHL Directors and such appointment will not take effect earlier than the date of posting of the Composite Offer Document subject to the requirements under the Takeovers Code. In addition, the Offeror is in the process of identifying other suitable candidates of CPHL Directors and independent non-executive CPHL Directors. A separate announcement will be made if such appointments are finalised.

The biographical details of Mr. Li and Mr. Su are set out below:

Mr. Li Kwong Yuk (李光煜), aged 49, the sole shareholder and sole director of the Offeror. Mr. Li has extensive experience in infrastructure industry and investment business in respect of highways in the PRC. Mr. Li has not held any directorships in the last three years in any public company the securities of which are listed on the securities market in Hong Kong or overseas.

Mr. Su Xiaonong (蘇曉濃), aged 47, has been a director or management of various venture capital, private equity or investment consultancy companies in the PRC, namely 深圳市國發投資管理有限公司 (Shenzhen Gofar Investment Management Co., Ltd.), 深圳市中聯易業投資顧問有限公司 (Shenzhen Union Venture Capital Consulting Co., Ltd.) and 深圳市鼎億萬通投資有限公司 (Shenzhen Dingyi Wantong Investment Co., Ltd.) respectively. Mr. Su graduated from East China College of Political Science and Law (華東政法學院). Mr. Su has not held any directorship in the last three years in any public company the securities of which are listed on the securities market in Hong Kong or overseas.

As regards listing status

The Offeror intends to maintain the listing of the CPHL Shares on the Main Board after closing of the Offers. The sole director of the Offeror and the new CPHL Directors (if any) to be appointed to the CPHL Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the CPHL Shares.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to CPHL, being 25% of the issued CPHL Shares, is held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the CPHL Shares; or (ii) there are insufficient CPHL Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend dealings in the CPHL Shares.

I. DEALING DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code and including a person who owns or controls 5% or more of any class of relevant securities) of CPHL and the Offeror (within the meaning of the Takeovers Code) are hereby reminded to disclose their dealings in the securities of CPHL pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

J. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

CPHL has established the Independent Board Committee comprising all the independent non-executive CPHL Directors who have no direct or indirect interest in the Asset Reorganisation and the Offers, namely Mr. WU King Cheong, Mr. LEUNG Kwong Kin and Mr. LAU Kai Shu, Frank, to advise the Independent CPHL Shareholders on the respective terms of the Asset Reorganisation and the Offers. Quam Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent CPHL Shareholders in respect of the respective terms of the Asset Reorganisation and the Offers. The appointment of Quam Capital Limited as the independent financial adviser has been approved by the Independent Board Committee.

K. DESPATCH OF DOCUMENTS

CIHL

A circular containing, among other things, information regarding the Share Sale and other information as required under the Listing Rules will be despatched by CIHL to the CIHL Shareholders as soon as practicable in accordance with the Listing Rules.

CPHL

A circular containing, among other things, information regarding the Capital Reorganisation and the Asset Reorganisation, the recommendation from the Independent Board Committee and the advice of the Independent Financial Adviser on the Asset Reorganisation, financial information of the CPHL Group and the Remaining CPHL Group and the notice of the CPHL SGM will be despatched by CPHL to the CPHL Shareholders as soon as practicable in accordance with the Listing Rules and the Takeovers Code. As additional time is required to finalise the information to be included in the circular, including but not limited to the financial information of the CPHL Group and the Sharp Rise Group and the proforma financial information of the Remaining CPHL Group, the circular of CPHL is expected to be despatched to the CPHL Shareholders on or before Thursday, 25 August 2011.

Pursuant to the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror is required to despatch an offer document in relation to the Offers and CPHL is required to send to CPHL Shareholders within 14 days of the posting of the offer document a circular containing, among other things, financial information of the CPHL Group, together with any other information CPHL considers to be relevant to enable CPHL Shareholders to reach a properly informed decision on the Offers. It is the intention of the Offeror and the CPHL Board that the offer document and the offeree board circular in respect of the Offers be combined in the Composite Offer Document. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the consent of the Executive is required if the making of the Offers are subject to the prior fulfillment of certain pre-conditions and the pre-conditions cannot be fulfilled within the time period required by Rule 8.2 of the Takeovers Code. As the making of the Offers are conditional upon the Share Sale Completion, it is expected that an application will be made to the Executive to extend the deadline for the despatch of the Composite Offer Document, together with the form(s) of acceptance and transfer, to a date within 7 days upon the Share Sale Completion or such later date as the Executive may approve. Further announcement will be made by the Offeror and CPHL on the timing of the despatch of the Composite Offer Document.

L. SUSPENSION AND RESUMPTION OF TRADING

At the request of each of CIHL and CPHL, trading in the CIHL Shares and the CPHL Shares on the Stock Exchange has been suspended respectively with effect from 9:00 a.m. on Monday, 20 June 2011 pending the release of this joint announcement. Applications have been made by each of CIHL and CPHL to the Stock Exchange for the resumption of trading in the CIHL Shares and the CPHL Shares respectively on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 13 July 2011.

Warning

CIHL Shareholders, CPHL Shareholders and potential investors of CIHL and CPHL should note that the Asset Reorganisation Completion and the Share Sale Completion are conditional upon the fulfillment or waiver of certain Asset Reorganisation Conditions and Share Sale Conditions respectively and the Offers will only be made if the Asset Reorganisation Completion and the Share Sale Completion take place. Accordingly, the Asset Reorganisation Agreement and the Share Sale Agreement may or may not be completed and the Offers may or may not proceed. Shareholders of CIHL and CPHL and potential investors of CIHL and CPHL are advised to exercise extreme caution when dealing in the CIHL Shares and CPHL Shares, and if they are in any doubt about their position, they should consult their professional advisers.

M. DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Asset Reorganisation”	the reorganisation of the assets of the CPHL Group involving the disposal of the entire issued share capital of Sharp Rise to CIHL pursuant to the Asset Reorganisation Agreement
“Asset Reorganisation Agreement”	the agreement dated 17 June 2011 entered into between CIHL and CPHL in relation to the Asset Reorganisation
“Asset Reorganisation Completion”	completion of the Asset Reorganisation
“Asset Reorganisation Conditions”	the conditions to Asset Reorganisation Completion as set out under the sub-section headed “Conditions” under the section headed “The Asset Reorganisation – The Asset Reorganisation Agreement” in this joint announcement
“Business Day”	a day (excluding a Saturday, Sunday or a public holiday) on which licensed banks in Hong Kong are generally open for business
“BVI”	British Virgin Islands
“Cafe Deco”	Cafe Deco Holdings Limited (formerly known as Sinochina Enterprises Limited), a company incorporated in the BVI with limited liability and a 60%-owned subsidiary of Sharp Rise. The remaining 40% interest in Cafe Deco is held by International Restaurants Holdings Limited, a company beneficially owned by the previous owners of Metro Point
“Capital Reduction”	the proposed reduction of the issued share capital of CPHL through a cancellation of the paid-up capital of CPHL to the extent of HK\$0.04 on each existing issued CPHL Share from HK\$0.05 to HK\$0.01 and the reduction of the nominal value of all CPHL Shares comprising the authorised share capital of CPHL from HK\$0.05 to HK\$0.01 each
“Capital Reorganisation”	the proposed capital reorganisation of CPHL which involves (i) the Capital Reduction; (ii) the Share Premium Reduction; and (iii) the transfer of the credit arising from the Capital Reduction and the Share Premium Reduction to the contributed surplus account of CPHL

“CIHL”	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). Dr. Chow Yei Ching is beneficially interested in 154,682,359 CIHL Shares (representing approximately 55.73% of the issued share capital of CIHL) as at the date of this joint announcement
“CIHL Board”	the board of CIHL Directors
“CIHL Director(s)”	the director(s) of CIHL
“CIHL Group”	CIHL and its subsidiaries
“CIHL Share(s)”	ordinary share(s) of HK\$1.25 each in the issued share capital of CIHL
“CIHL Shareholder(s)”	holder(s) of the CIHL Shares
“CL Holdings”	CL Holdings Limited, a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of Cafe Deco
“Composite Offer Document”	the composite offer and response document to be issued jointly by or on behalf of the Offeror and CPHL to all CPHL Shareholders in accordance with the Takeovers Code containing, inter alia, details of the Offers, the form of acceptance and transfer in respect of the CPHL Shares for the CPHL Shareholders, the letter to be issued by Kingston Securities on behalf of the Offeror, the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers and the letter of recommendation from the Independent Board Committee to the Independent CPHL Shareholders in relation to the Offers
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consultant Options”	the options granted by CPHL to its consultants pursuant to the Consultancy Option Agreements entitling them to subscribe for a total of 150,000,000 CPHL Shares at HK\$0.30 per CPHL Share (as adjusted by the share subdivision pursuant to the ordinary resolution passed by CPHL Shareholders on 30 March 2010), the cancellation of which being one of the conditions precedent to the Share Sale Completion

“Consultancy Option Agreements”	(a) the option agreement entered into between CPHL and Dadra Inc. dated 10 February 2010, pursuant to which an option to subscribe for 75,000,000 CPHL Shares at HK\$0.30 per CPHL Share (as adjusted by the share subdivision pursuant to the ordinary resolution passed by CPHL Shareholders on 30 March 2010) was granted by CPHL to Dadra Inc.; and (b) the option agreement entered into between CPHL and Exponential Opportunities Ltd. dated 10 February 2010, pursuant to which an option to subscribe for 75,000,000 CPHL Shares at HK\$0.30 per CPHL Share (as adjusted by the share subdivision pursuant to the ordinary resolution passed by CPHL Shareholders on 30 March 2010) was granted by CPHL to Exponential Opportunities Ltd.
“CPHL”	Chevalier Pacific 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 : 508)
“CPHL Board”	the board of CPHL Directors
“CPHL Director(s)”	the director(s) of CPHL
“CPHL Group”	CPHL and its subsidiaries
“CPHL SGM”	the special general meeting of CPHL to be convened and held to consider and, if thought fit, approve, among others, the Capital Reorganisation, the Asset Reorganisation and the respective transactions contemplated thereunder
“CPHL Share(s)”	ordinary share(s) of HK\$0.05 each in the issued share capital of CPHL before the Capital Reorganisation is effective, or where the context requires, the ordinary share(s) of HK\$0.01 each in the issued share capital of CPHL after the Capital Reorganisation is effective
“CPHL Shareholder(s)”	holder(s) of the CPHL Share(s)
“Encumbrances”	includes without any limitation, with respect to any asset, any option, right to acquire, right of pre-emption, mortgage, charge, pledge, lien, hypothecation, title retention, right of set-off, counterclaim, trust arrangement or other security or any equity or restriction (including any restriction imposed under the Companies Ordinance, Chapter 32 of the laws of Hong Kong)

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“Facility“	a standby loan facility of not less than HK\$206.40 million, which is secured by the Sale Shares, granted by Kingston Securities to the Offeror pursuant to a facility letter dated 16 May 2011
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the CPHL Board comprising all the independent non-executive CPHL Directors established to advise the Independent CPHL Shareholders on the terms of the Asset Reorganisation and the Offers
“Independent CPHL Shareholder(s)”	CPHL Shareholder(s) other than CIHL and Mr. Oscar Chow and those who are interested in or involved in the Asset Reorganisation
“Independent Financial Adviser”	Quam Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, who has been appointed as the independent financial adviser to the Independent Board Committee and the Independent CPHL Shareholders in respect of the Asset Reorganisation and the Offers
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a licensed corporation to carry on business in type 6 (advising on corporate finance) regulated activity under the SFO and, the financial adviser to the Offeror
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the SFO
“Last Trading Day”	17 June 2011, being the last trading day of the CPHL Shares immediately prior to the suspension in trading on the Stock Exchange on 20 June 2011 pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2011

“Management Agreements”	the management agreements all dated 21 December 2010 entered into by Cafe Deco and each of the World Pointer Group Companies respectively for the appointment of Cafe Deco as the sole agent to manage and operate the restaurants and kiosks owned by the World Pointer Group Companies
“Material Adverse Change”	as at the Share Sale Completion, the number of food and beverages outlets operated by the Remaining CPHL Group being reduced to less than seven (7)
“Metro Point”	Metro Point Enterprise Company Limited, a company incorporated in the BVI with limited liability which is effectively owned as to 60% by Sharp Rise and as to 40% by International Restaurants Holdings Limited, a company beneficially owned by the previous owners of Metro Point
“Metro Point Group”	Metro Point and its subsidiaries
“Mr. Li”	Mr. LI Kwong Yuk, the sole shareholder and the sole director of the Offeror
“Mr. Oscar Chow”	Mr. CHOW Vee Tsung, Oscar, an executive CPHL Director and the Managing Director of CPHL, and an executive CIHL Director
“Offer Price”	HK\$0.18947 per Offer Share
“Offer Share(s)”	CPHL Share(s) not already owned or agreed to be acquired by the Offeror or parties acting in concert with it
“Offeror”	Wincon Capital Investment Limited, a company incorporated in the BVI with limited liability
“Offers”	the Share Offer and the Option Offer
“Option Agreement”	the agreement dated 21 December 2010 entered into between World Pointer and CL Holdings in relation to the put options in respect of the shares in the World Pointer Group Companies
“Option Offer”	the mandatory unconditional cash offer to be made by Kingston Securities, on behalf of the Offeror, to cancel all outstanding Consultant Options at HK\$0.01 for all Consultant Options in cash

“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Remaining CPHL Group”	the CPHL Group immediately after the Asset Reorganisation Completion
“Sale Shares”	an aggregate of 1,285,829,330 CPHL Shares, representing approximately 54.14% of the entire issued share capital of CPHL as at the date of the Share Sale Agreement, to be acquired by the Offeror from CIHL pursuant to the terms and conditions of the Share Sale Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Offer”	subject to the Share Sale Completion, a mandatory unconditional general offer to be made by Kingston Securities on behalf of the Offeror to acquire all issued CPHL Shares (other than those already owned or agreed to be acquired by the Offeror or parties acting in concert with it) in accordance with the Takeovers Code
“Share Premium Reduction”	the proposed reduction of a sum of HK\$30.0 million standing to the credit of the share premium account of CPHL, with the credit arising therefrom being transferred to the contributed surplus account of CPHL
“Share Sale”	the proposed sale of the Sale Shares by CIHL to the Offeror pursuant to the terms and conditions of the Share Sale Agreement
“Share Sale Agreement”	the agreement dated 17 June 2011 entered into between CIHL and the Offeror in relation to the Share Sale
“Share Sale Completion”	completion of the Share Sale
“Share Sale Conditions”	the conditions to Share Sale Completion as set out under the sub-section headed “Conditions” under the section headed “The Share Sale – The Share Sale Agreement” in this joint announcement

“Sharp Rise”	Sharp Rise Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of CPHL before the Asset Reorganisation Completion
“Sharp Rise Group”	Sharp Rise and its subsidiaries
“Sharp Rise Shares”	a total of 22,225,700 shares of US\$1 each in the capital of Sharp Rise in issue as at the date of the Asset Reorganisation Completion
“Special Distribution”	the special distribution in cash intended to be made by CPHL to the CPHL Shareholders subject to completion of the Asset Reorganisation and the Capital Reorganisation taking effect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“World Pointer”	World Pointer Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of CPHL
“World Pointer Group Companies”	Giant Ocean (H.K.) Limited, Grand Concept (Hong Kong) Limited and Eastech Limited, being 51%-owned subsidiaries of World Pointer
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

* *for identification only*

For ease of reference, the names of companies or entities established in the PRC have been included in this joint announcement in both Chinese and English languages and the English names of these companies or entities are either English translation of their respective official Chinese names or English trade names used by them. In the event of any inconsistency between the English names and their respective official Chinese names, the Chinese names shall prevail.

By order of the sole
director of
**Wincon Capital Investment
Limited**
Li Kwong Yuk
Sole Director

By order of
the board of directors
**Chevalier International
Holdings Limited**
Chow Yei Ching
Chairman

By order of
the board of directors
**Chevalier Pacific
Holdings Limited**
Chow Yei Ching
Chairman

Hong Kong, 12 July 2011

As at the date of this joint announcement, the sole director of the Offeror is Mr. Li Kwong Yuk.

As at the date of this joint announcement, the CIHL Board comprises Dr. CHOW Yei Ching (Chairman), Mr. KUOK Hoi Sang (Vice Chairman and Managing Director), Mr. TAM Kwok Wing (Deputy Managing Director), Mr. CHOW Vee Tsung, Oscar, Mr. HO Chung Leung and Mr. MA Chi Wing as executive CIHL Directors; Dr. CHOW Ming Kuen, Joseph, Mr. SUN Kai Dah, George and Mr. YANG Chuen Liang, Charles as independent non-executive CIHL Directors; and Dr. KO Chan Gock, William as non-executive CIHL Director.

As at the date of this joint announcement, the CPHL Board comprises Dr. CHOW Yei Ching (Chairman), Mr. CHOW Vee Tsung, Oscar (Managing Director), Mr. KUOK Hoi Sang, Miss Lily CHOW and Mr. CHANG Wan Lung, Robert as executive CPHL Directors; and Mr. WU King Cheong, Mr. LEUNG Kwong Kin and Mr. LAU Kai Shu, Frank as independent non-executive CPHL Directors.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the CIHL Group, the CPHL Group and parties acting in concert with any one of them), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the CIHL Group, the CPHL Group and parties acting in concert with any one of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

All the CIHL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

All the CPHL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.