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CHEVALIER INTERNATIONAL HOLDINGS LIMITED

其士國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 25)

Redemption in Full of HK$450,000,000 2.125 % Convertible Bonds due 2011

Pursuant to the terms of the Convertible Bonds, on 26th June 2009, the Company has received relevant redemption notice that the holders of Convertible Bonds have exercised their rights to redeem the outstanding Convertible Bonds in the aggregate principal amount of HK$450,000,000 on 28th July 2009, the Put Option Date. Upon redemption of the outstanding Convertible Bonds, all the Convertible Bonds will be fully redeemed and cancelled.

The Board is confident that the redemption of the Convertible Bonds would not have any material adverse effect on the Company's financial position, which would remain sound following the redemption of the Convertible Bonds. The Company will satisfy the payment by its internal resources and/or bank borrowings as prepared for the purpose of the said redemption. Subsequent to the redemption of all the outstanding Convertible Bonds, the Company would not incur further finance cost in relation to the accrued interests of the Convertible Bonds.

Reference is made to the announcement dated 27th July 2006 in relation to the issue by the Company of HK$450,000,000 2.125 % Convertible Bonds due 2011.

As at 29th June, 2009, the principals amount of the outstanding Convertible Bonds was HK$450,000,000. On 26th June 2009, the Company has received relevant redemption notice that the holders of Convertible Bonds have exercised their rights to redeem the outstanding Convertible Bonds in the aggregate principal amount of HK$450,000,000. Pursuant to the terms of the Convertible Bonds, each Bondholder has the right to request the Company to redeem the Convertible Bonds at 113.1% of their principal amount on 28th July 2009, the Put Option Date. Upon redemption of the outstanding Convertible Bonds, all the Convertible Bonds will be fully redeemed and cancelled on 28th July 2009.

The Board is confident that the redemption of the Convertible Bonds would not have any material adverse effect on the Company's financial position, which would remain sound following the redemption of the Convertible Bonds. The Company's unaudited consolidated bank balances and cash as of 31st March 2009 amounted to over HK$1,700 million. The Company will satisfy the payment by its internal resources and/or bank borrowings as prepared for the purpose of the said redemption. Subsequent to the redemption of all the outstanding Convertible Bonds, the Company would not incur further finance cost in relation to the accrued interests of the Convertible Bonds.

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

Hong Kong, 29th June 2009

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

* *for identification only*