

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **CHEVALIER INTERNATIONAL HOLDINGS LIMITED**

**其士國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 25)**

### **INSIDE INFORMATION**

#### **BUSINESS UPDATE**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **FORMATION OF JOINT VENTURE FOR A PROPERTY DEVELOPMENT PROJECT**

The Board is pleased to announce that, on 28 March 2024 (after trading hours of the Stock Exchange), the CIHL Shareholder (an indirect wholly-owned subsidiary of the Company) entered into the JV Agreement with, amongst others, the WO Shareholder (an indirect wholly-owned subsidiary of WOP and an Independent Third Party) in relation to the formation of the Joint Venture for the implementation of the Project. The JV Company was subsequently formed pursuant to the terms of the JV Agreement, and its shares are held as to 50% by the CIHL Shareholder and 50% by the WO Shareholder.

The Project relates to the redevelopment of the Property and the subsequent sale of the redeveloped units thereof. Pursuant to the JV Agreement, on 28 March 2024, the JV Company (as purchaser) entered into the conditional Sale and Purchase Agreement with the WO Seller (an indirect wholly-owned subsidiary of WOP and an Independent Third Party) in respect of the acquisition of all the issued shares of the Holding Company (which indirectly holds the Property) and all loans owed by the Project Company to the WO Seller for an aggregate initial consideration of HK\$797,080,516 (subject to adjustments pursuant to the terms of the Sale and Purchase Agreement). Subject to the provisions of the Sale and Purchase Agreement, it is expected that completion of the acquisition shall take place 10 business days after satisfaction of all the conditions precedent set out therein. The long stop date for the satisfaction of the conditions precedent under the Sale and Purchase Agreement is 17 June 2024 (subject to postponement by mutual agreement of the parties).

Subject to and after completion of the acquisition contemplated under the Sale and Purchase Agreement, the Property shall be held by the JV Group, and the JV Group shall proceed to implement the Project in accordance with the terms of the JV Agreement.

Pursuant to the JV Agreement, the JV Partners shall contribute to the funding requirements of the JV Group in proportion to their respective shareholding i.e. 50:50 unless otherwise unanimously approved by the JV Partners. Subject to the provisions of the JV Agreement, all funding requirements in respect of Acquisition Costs (including the consideration payable by the JV Company under the Sale and Purchase Agreement) shall first be met by Shareholder Loans, while all funding requirements in respect of Project Costs shall first be met by way of external borrowings. The CIHL Group's financial commitment to the Project under the JV Agreement is expected to be financed by internal resources of the CIHL Group.

The Directors consider that the CIHL Group's participation in the Project through the Joint Venture would enable the CIHL Group to enlarge its land bank for property development and enhance its presence as a property developer in Hong Kong. The Joint Venture will also provide synergies for the Project, allowing the CIHL Group and the WO Group to share their resources, expertise and experience in property construction and development. The Directors consider that the JV Agreement and the Joint Venture contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests the Company and its Shareholders as a whole.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the WO Shareholder, the WO Seller, WOP and their ultimate beneficial owners are Independent Third Parties.

## **LISTING RULES IMPLICATIONS**

One of the principal activities of the CIHL Group is property development and operations. The JV Company is a single purpose vehicle formed for the implementation of the Project, which is of a revenue nature in the ordinary and usual course of business of the CIHL Group, and the Joint Venture arrangement was made on normal commercial terms and on an arm's length basis. In addition, as required under Rule 14.04(1)(f)(iii) of the Listing Rules, the JV Agreement contains clauses to the effect that the JV Company may not, without the JV Partners' unanimous consent, (i) change the nature or scope of the business of the JV Group or (ii) enter into any transactions which are not on an arm's length basis.

Accordingly, the formation of the Joint Venture contemplated under the JV Agreement does not constitute a notifiable transaction of the Company pursuant to Rule 14.04(1)(f) of the Listing Rules and is therefore exempt from the requirements under Chapter 14 of the Listing Rules.

For the avoidance of doubt, the JV Company is not a subsidiary of the Company and the financial results of the JV Group will not be consolidated into the consolidated financial statements of the CIHL Group. As such, the acquisition contemplated under the Sale and Purchase Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Disclosure of information in this announcement is made on a voluntary basis to keep Shareholders and potential investors of the Company informed of the latest business development of the CIHL Group.

**Shareholders and potential investors of the Company should be aware that completion of the acquisition contemplated under the Sale and Purchase Agreement as mentioned in this announcement is subject to the satisfaction of certain conditions precedent, and therefore, may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution in dealing in the Shares of the Company.**

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“Acquisition Costs”	the costs and expenses to be incurred by the JV Company in relation to the acquisition contemplated under the Sale and Purchase Agreement, including but not limited to (i) the aggregate of all amounts payable by the JV Company (as purchaser) to the WO Seller (as vendor) for the acquisition contemplated under the Sale and Purchase Agreement; and (ii) all costs and expenses to be incurred by the JV Company in connection with such acquisition
“Board”	the board of Directors
“CIHL Group”	the Company and its subsidiaries
“CIHL Shareholder”	Lofty Ideal Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company and holder of 50% of the issued shares of the JV Company, which is principally engaged in investment holding
“Company”	Chevalier International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 25)
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Holding Company”	Beam Up Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and the sole shareholder of the Project Company and an indirect wholly-owned subsidiary of WOP as at the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	party(ies) independent of the Company and its connected persons
“Joint Venture”	the joint venture between the CIHL Shareholder and the WO Shareholder as contemplated under the JV Agreement
“JV Agreement”	a shareholders’ agreement dated 28 March 2024 and entered into by, amongst others, the CIHL Shareholder and the WO Shareholder in relation to the formation of the JV Company and the implementation of the Project
“JV Company”	Divine Glory International Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect 50%-owned joint venture of the Company
“JV Group”	the JV Company and its subsidiaries from time to time
“JV Partners”	the CIHL Shareholder and the WO Shareholder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Project”	the single purpose joint venture project to be implemented by the JV Group pursuant to the JV Agreement, which involves (a) the redevelopment of the Property into a composite residential development with two residential blocks, car parking spaces, non-domestic floor space for commercial use, and government accommodation as provided for under the relevant land grant(s); and (b) the subsequent disposal of the relevant redeveloped properties for profits
“Project Company”	New Grand Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Holding Company, which is the sole registered, legal and beneficial owner of the Property
“Project Costs”	the aggregate of the items of expenditure in relation to the Project to be incurred by the JV Group, including but not limited to (i) any land premium payable for any lease modification of the government grants relating to the Property; (ii) construction costs for the redevelopment of the Property; and (iii) legal fees, consultancy fees, agency commission, advertising and promotional expenses in connection with the sale and disposal of redeveloped units of the Property, but excluding Acquisition Costs

“Property”	all those pieces or parcels ground registered in the Land Registry of Hong Kong as Yau Tong Inland Lot No. 30 and Yau Tong Inland Lot No. 31 and of and in the messuages erections and buildings thereon now known as Yau Tong Industrial Building Block 4, Nos. 18 & 20 Sze Shan Street, Kowloon, Hong Kong
“Sale and Purchase Agreement”	the sale and purchase agreement dated 28 March 2024 and entered into among the WO Seller (as vendor), the JV Company (as purchaser) and WOP (as vendor’s guarantor) in relation to the acquisition of all issued shares of and loan to the Holding Company by the JV Company
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder Loans”	sums advanced or to be advanced to any JV Group Company by any member of the CIHL Group and/or the WOP Group from time to time in accordance with the terms of the JV Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“WOG”	Wang On Group Limited, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (stock code: 1222), which is ultimately owned as to over 30% by Mr. Tang Ching Ho (together with his associates)
“WOP”	Wang On Properties Limited, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (stock code: 1243) and a 75%-owned listed subsidiary of WOG
“WOP Group”	WOP and its subsidiaries, which are principally engaged in the businesses of developing residential and commercial properties for sale and investing in commercial and industrial properties for investment return and capital appreciation and asset management
“WO Seller”	Top List Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WOP, and as at the date of this announcement, the sole shareholder of the Holding Company, which is principally engaged in investment holding

“WO Shareholder”

New Honour Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WOP and holder of 50% of the issued shares of the JV Company, which is principally engaged in investment holding

“%”

per cent

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

Hong Kong, 28 March 2024

*As at the date of this announcement, the Board comprises Messrs. Kuok Hoi Sang (Chairman and Managing Director), Tam Kwok Wing (Deputy Managing Director), Ho Chung Leung, Ma Chi Wing and Miss Lily Chow as Executive Directors; Professor Poon Chung Kwong, Mr. Irons Sze, Mr. Sun Leland Li Hsun and Ms. Kwan Angelina Agnes as Independent Non-Executive Directors; Mr. Chow Vee Tsung, Oscar as Non-Executive Director.*

\* *for identification purpose only*