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## **CHEVALIER INTERNATIONAL HOLDINGS LIMITED**

**其士國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 25)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF PROPERTIES**

The Board is pleased to announce that on 30 December 2021 (after trading hours of the Stock Exchange), the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor and the Agent entered into the First Provisional Agreement and the Second Provisional Agreement, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the First Property and the Second Property at the consideration of HK\$91,759,500 and HK\$92,970,000, respectively. Completion of each of the Acquisitions is inter-conditional.

As the Provisional Agreements were entered into between the same Vendor and Purchaser and completion of each of the Acquisitions is inter-conditional, according to Rule 14.22 of the Listing Rules, the transactions contemplated thereunder shall be aggregated and treated as if they were one transaction. As the highest applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Acquisitions (when aggregated) exceeds 5% but is less than 25%, the Acquisitions constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **THE ACQUISITIONS**

The Board is pleased to announce that on 30 December 2021 (after trading hours of the Stock Exchange), the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor and the Agent entered into the First Provisional Agreement and the Second Provisional Agreement, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the First Property and the Second Property at the consideration of HK\$91,759,500 and HK\$92,970,000, respectively. Completion of each of the Acquisitions is inter-conditional.

Details of the Acquisitions are set out below:

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor, the Agent and their respective ultimate beneficial owners are Independent Third Parties.

## **The First Provisional Agreement**

### ***Date***

30 December 2021

### ***Parties***

- (1) The Vendor;
- (2) The Purchaser; and
- (3) The Agent.

The Purchaser shall hold the First Property on trust for the benefit of Chevalier AOC, an indirect non wholly-owned subsidiary of the Company.

### ***Property to be acquired***

Pursuant to the First Provisional Agreement, the Vendor shall sell and the Purchaser shall purchase, on an “as is” basis, the First Property, which is a non-residential property situated at Unit 1 with Air Handling Plant Room (formerly known as Units 1, 2, 3 together with the Air Handling Plant Room) on 8/F of High Block of Cheung Fung Industrial Building, Nos.23-39 Pak Tin Par Street, Tsuen Wan, New Territories, Hong Kong, with an estimated total gross floor area of approximately 20,391 square feet.

The First Formal Agreement is expected to be signed on or before 13 January 2022.

### ***Consideration and payment terms***

The consideration for the First Acquisition is HK\$91,759,500 and has been paid/shall be payable by the Purchaser to the Vendor in the following manner:

- (a) an initial deposit of HK\$4,587,975 has been paid by the Purchaser to the Vendor upon signing of the First Provisional Agreement;
- (b) a further deposit of HK\$4,587,975 shall be payable by the Purchaser to the Vendor upon signing of the First Formal Agreement, which is expected to be on or before 13 January 2022; and
- (c) the balance of the consideration of HK\$82,583,550 shall be payable by the Purchaser to the Vendor on the date of completion of the First Acquisition, which is expected to be on or before 15 March 2022.

The consideration for the First Acquisition will be funded by Chevalier AOC and external bank borrowings.

### ***Condition precedent***

Completion of the First Acquisition is conditional upon the Second Acquisition being completed simultaneously.

### ***Completion***

Completion of the First Acquisition is expected to take place on or before 15 March 2022.

### **The Second Provisional Agreement**

#### ***Date***

30 December 2021

#### ***Parties***

- (1) The Vendor;
- (2) The Purchaser; and
- (3) The Agent.

#### ***Property to be acquired***

Pursuant to the Second Provisional Agreement, the Vendor shall sell and the Purchaser shall purchase, on an “as is” basis, the Second Property, which is a non-residential property situated at Unit 2 (formerly known as Units 4 & 5 and the Corridor Area adjoining thereto) on 8/F of High Block of Cheung Fung Industrial Building, Nos.23-39 Pak Tin Par Street, Tsuen Wan, New Territories, Hong Kong, with an estimated total gross floor area of approximately 20,660 square feet. The Second Property is adjacent to the First Property.

The Second Formal Agreement is expected to be signed on or before 13 January 2022.

#### ***Consideration and payment terms***

The consideration for the Second Acquisition is HK\$92,970,000 and has been paid/shall be payable by the Purchaser to the Vendor in the following manner:

- (a) an initial deposit of HK\$4,648,500 has been paid by the Purchaser to the Vendor upon signing of the Second Provisional Agreement;
- (b) a further deposit of HK\$4,648,500 shall be payable by the Purchaser to the Vendor upon signing of the Second Formal Agreement, which is expected to be on or before 13 January 2022; and

- (c) the balance of the consideration of HK\$83,673,000 shall be payable by the Purchaser to the Vendor on the date of completion of the Second Acquisition, which is expected to be on or before 15 March 2022.

The consideration for the Second Acquisition will be funded by the Group's internal resources and external bank borrowings, if necessary.

### ***Condition precedent***

Completion of the Second Acquisition is conditional upon the First Acquisition being completed simultaneously.

### ***Completion***

Completion of the Second Acquisition is expected to take place on or before 15 March 2022.

## **INFORMATION ON THE PARTIES**

The principal activity of the Company is investment holding. The principal activities of the Group are construction and engineering, property investment, property development and operations, healthcare investment and car dealership.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor is principally engaged in property holding and letting and is an indirect wholly-owned subsidiary of Bossini International Holdings Limited, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 592). Bossini International Holdings Limited and its subsidiaries are principally engaged in the retailing and distribution of garments bearing their designated brand names including "bossini".

The Agent is a company incorporated in Hong Kong with limited liability and engages in the provision of property agency services in Hong Kong.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

The Acquisitions are in the ordinary and usual course of the Group's business. The consideration for each of the Acquisitions was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to, among other things, (i) the prevailing market prices of comparable properties in the vicinity; and (ii) the current Hong Kong property market sentiment.

The Directors consider the Acquisitions as a good opportunity for the Group to cope with its operational needs and cater for the Group's future business growth and development. In addition, the Directors believe that the Acquisitions will enable the Group to have additional warehouse space for its own use when required. Also, it might represent an opportunity for the Company to capture potential capital appreciation in the future.

The Board considers that each of the Acquisitions and the terms of each of the Provisional Agreements, including the consideration, are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the Provisional Agreements were entered into between the same Vendor and Purchaser and completion of each of the Acquisitions is inter-conditional, according to Rule 14.22 of the Listing Rules, the transactions contemplated thereunder shall be aggregated and treated as if they were one transaction. As the highest applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Acquisitions (when aggregated) exceeds 5% but is less than 25%, the Acquisitions constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Acquisitions”	the First Acquisition and the Second Acquisition
“Agent”	Knight Frank Hong Kong Limited, a company incorporated in Hong Kong with limited liability
“Board”	the board of Directors
“Chevalier AOC”	Chevalier AOC Freight Express Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirect non wholly-owned subsidiary of the Company, which is owned as to 40% by Ms. Fung Woon Pik and 60% by Chevalier Logistics Investments Limited (which is indirectly owned as to 75% by the Company)
“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)
“Director(s)”	the director(s) of the Company
“First Acquisition”	the acquisition of the First Property by the Purchaser from the Vendor pursuant to the First Provisional Agreement
“First Formal Agreement”	the formal agreement for sale and purchase to be entered into between the Vendor and the Purchaser in relation to the sale and purchase of the First Property

“First Property”	Unit 1 with Air Handling Plant Room (formerly known as Units 1, 2, 3 together with the Air Handling Plant Room) on 8/F of High Block of Cheung Fung Industrial Building, Nos.23-39 Pak Tin Par Street, Tsuen Wan, New Territories, Hong Kong
“First Provisional Agreement”	the provisional agreement for sale and purchase dated 30 December 2021 entered into among the Vendor, the Purchaser and the Agent in relation to the First Acquisition
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the parties to the First Provisional Agreement or the Second Provisional Agreement, i.e., the Vendor, the Purchaser and the Agent
“Provisional Agreements”	the First Provisional Agreement and the Second Provisional Agreement
“Purchaser”	Shine Wealthy Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Second Acquisition”	the acquisition of the Second Property by the Purchaser from the Vendor pursuant to the Second Provisional Agreement
“Second Formal Agreement”	the formal agreement for sale and purchase to be entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Second Property
“Second Property”	Unit 2 (formerly known as Units 4 & 5 and the Corridor Area adjoining thereto) on 8/F of High Block of Cheung Fung Industrial Building, Nos.23-39 Pak Tin Par Street, Tsuen Wan, New Territories, Hong Kong

“Second Provisional Agreement”	the provisional agreement for sale and purchase dated 30 December 2021 entered into among the Vendor, the Purchaser and the Agent in relation to the Second Acquisition
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Rapid City Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent

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

Hong Kong, 30 December 2021

*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; Mr. Yang Chuen Liang, Charles, Professor Poon Chung Kwong, Mr. Irons Sze and Mr. Sun Leland Li Hsun as Independent Non-Executive Directors; Mr. Chow Vee Tsung, Oscar as Non-Executive Director.*

\* *For identification purpose only*