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**CHEVALIER INTERNATIONAL  
HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*



**CHEVALIER CONSTRUCTION  
HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

**JOINT ANNOUNCEMENT  
PROPOSED PRIVATISATION OF  
CHEVALIER CONSTRUCTION HOLDINGS LIMITED  
BY CHEVALIER INTERNATIONAL HOLDINGS LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
(UNDER SECTION 99 OF THE BERMUDA COMPANIES ACT)  
AT THE CANCELLATION PRICE OF HK\$0.25 PER SCHEME SHARE  
AND RESUMPTION OF TRADING**

**CONNECTED TRANSACTION FOR  
CHEVALIER INTERNATIONAL HOLDINGS LIMITED**

**Financial Adviser to  
CHEVALIER INTERNATIONAL HOLDINGS LIMITED**



**Independent financial adviser to  
the board of directors of  
Chevalier International  
Holdings Limited**

**Independent financial adviser to  
the independent board committee of  
Chevalier Construction  
Holdings Limited**



**華富嘉洛證券融資有限公司  
Quam Capital Limited**

Financial Services Group A Member of The Quam Group

The CIHL Board and CCHL Board jointly announce that on 30th October, 2003, CIHL requested the CCHL Board to put forward a proposal to the Scheme Shareholders regarding a proposed privatisation of CCHL by way of the scheme.

The Proposal, if made, will be subject to, among other things, the approval by the CCHL Independent Shareholders at the Court Meeting. CIHL, CIHL Directors and their respective concert parties have agreed to, and will abstain from voting at the Court Meeting.

CIHL proposes that all Scheme Shares be cancelled in exchange for HK\$0.25 in cash for each Scheme Share. As at the date of this announcement, the Scheme Shareholders were interested in 159,614,556 CCHL Shares, representing approximately 64.1% of the issued share capital of CCHL. The amount of cash required in order to effect the Proposal is approximately HK\$39.9 million. As at the date of this announcement, there were no outstanding options, warrants or convertible securities issued by CCHL. The aggregate Cancellation Price payable under the Proposal will be financed by general banking facilities available to CIHL. Somerley Limited, the financial adviser to CIHL, is satisfied that CIHL has sufficient financial resources for the implementation of the Proposal.

Following the effective date of the Proposal, the listing of CCHL Shares on the Stock Exchange will be withdrawn and CCHL will become a wholly owned subsidiary of CIHL. The Proposal is conditional upon the fulfillment or waiver of, as applicable, the conditions described in the section titled "Conditions of the Proposal" below. All conditions will have to be fulfilled or waived, as applicable, on or before 31st March, 2004 (or such later date as CIHL and CCHL may agree or as the Supreme Court of Bermuda may direct).

As Dr. Chow, Mr. Kuok and Mr. Tam have interests in CCHL Shares, Rule 2.4 of the Takeovers Code requires that an independent financial adviser be appointed to advise the CIHL Board as regards the Proposal. CIHL has appointed Access Capital Limited as the independent financial adviser to advise the CIHL Board. Access Capital Limited has given an opinion to the CIHL Board that the Proposal is in the interest of CIHL Shareholders as a whole. The Proposal is subject to CIHL Independent Shareholders' approval pursuant to Rule 2.4 of the Takeovers Code.

The Proposal also constitutes a connected transaction for CIHL under the Listing Rules. The Listing Rules requires approval from the CIHL Independent Shareholders for the implementation of the Proposal. A special general meeting of CIHL will be convened for the CIHL Independent Shareholders to consider and, if thought fit, to approve the Proposal.

A circular of CIHL containing, among other things, details of the Proposal, the letter of advice from Access Capital Limited to the CIHL Board and a notice of the special general meeting of CIHL will be despatched to the CIHL Shareholders as soon as practicable.

Subject to the approval of the Proposal by the CIHL Independent Shareholders, a document will be despatched to CCHL Shareholders containing, among other things, further details of the Proposal, the expected timetable, an explanatory statement as required under the Companies Act, information on CCHL and CIHL, the recommendations of the independent board committee of CCHL in respect of the Proposal, a letter of advice from the independent financial adviser to such independent board committee, a notice of the Court Meeting and a notice of the special general meeting of CCHL in accordance with the Takeovers Code. Quam Capital Limited has been appointed the independent financial adviser, subject to the approval of the Proposal by the CIHL Independent Shareholders, to advise the independent board committee of CCHL as regards the Proposal.

At the request of CIHL and CCHL, trading in the CIHL Shares and CCHL Shares on the Stock Exchange was suspended from 9:30 a.m. on Friday, 31st October, 2003 pending release of this announcement. Applications have been made by CIHL and CCHL to the Stock Exchange for the resumption of trading in the CIHL Shares and the CCHL Shares with effect from 9:30 a.m. on Monday, 3rd November, 2003.

**CIHL Shareholders, CCHL Shareholders and potential investors should be aware that the making of the Proposal by CIHL and the implementation of the Proposal is subject to the conditions as set out below being fulfilled or waived, as applicable, and thus may or may not become effective. Accordingly, they are advised to exercise caution when dealing in the securities of CIHL and CCHL.**

## INTRODUCTION

On 30th October, 2003, CIHL requested the CCHL Board to put forward a proposal to the Scheme Shareholders regarding a proposed privatisation of CCHL by way of the Scheme involving the cancellation of all the Scheme Shares, as a result of which CCHL will become a wholly owned subsidiary of CIHL.

## TERMS OF THE PROPOSAL

The Cancellation Price per Scheme Share under the Proposal will be payable in cash which represents:

- (a) a premium of approximately 16.3% over the closing price of HK\$0.215 per CCHL Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 16.3% over the average closing price of approximately HK\$0.215 per CCHL Share based on the daily closing prices as quoted on the Stock Exchange over the 10 trading days up to and including the Last Trading Day;
- (c) a premium of approximately 23.8% over the average closing price of approximately HK\$0.202 per CCHL Share based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including the Last Trading Day;
- (d) a premium of approximately 37.4% over the average closing price of approximately HK\$0.182 per CCHL Share based on the daily closing prices as quoted on the Stock Exchange over the 60 trading days up to and including the Last Trading Day; and

(e) a discount of approximately 18.6% to the audited consolidated net asset value per CCHL Share of HK\$0.307 as at 31st March, 2003.

As at the date of this announcement, there were 249,000,000 CCHL Shares in issue and the Scheme Shareholders were interested in 159,614,556 CCHL Shares, representing approximately 64.1% of the issued share capital of CCHL.

The Cancellation Price was arrived at after taking into consideration, among other things, the prevailing and historical market price of the CCHL Shares and the net asset value of CCHL. On the basis of the Cancellation Price per Scheme Share, the Proposal values the entire issued share capital of CCHL at approximately HK\$62.3 million. The aggregate Cancellation Price payable under the Proposal amounting to approximately HK\$39.9 million will be financed by general banking facilities available to CIHL. Somerley Limited, the financial adviser to CIHL, is satisfied that sufficient financial resources are available to CIHL for the implementation of the Proposal.

The Proposal will provide that the Scheme Shares be cancelled and, in consideration thereof, each Scheme Shareholder will be entitled to receive HK\$0.25 in cash for every Scheme Share held.

#### **INDEPENDENT FINANCIAL ADVICE**

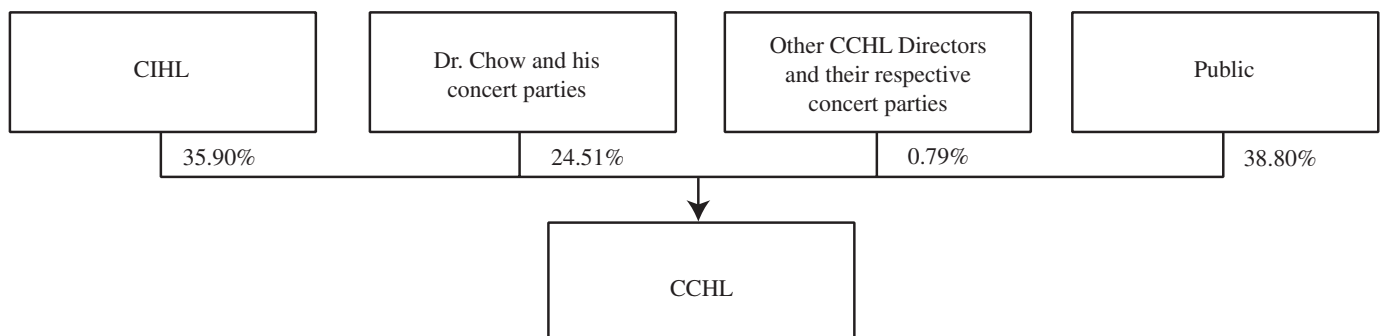
As at the date of this announcement, Dr. Chow, the chairman of the CIHL Board, has a direct interest in 61,036,489 CCHL Shares; Mr. Kuok, a CIHL Director, has a direct interest in 1,326,437 CCHL Shares; and Mr. Tam, a CIHL Director, has a direct interest in 632,938 CCHL Shares. As the CIHL Directors are presumed to be acting in concert with CIHL under the Takeovers Code, Rule 2.4 of the Takeovers Code requires that an independent financial adviser be appointed to advise the CIHL Board as regards the Proposal. CIHL has appointed Access Capital Limited as the independent financial adviser to advise the CIHL Board. Access Capital Limited has given an opinion to the CIHL Board that the Proposal is in the interest of CIHL Shareholders as a whole. The Proposal is subject to CIHL Independent Shareholders' approval pursuant to Rule 2.4 of the Takeovers Code.

As Dr. Chow is the controlling shareholder of CIHL, a CIHL Director and a substantial shareholder of CCHL, the Proposal involving the acquisition of CCHL Shares by CIHL constitutes a connected transaction for CIHL under Rule 14.23 (1)(b) of the Listing Rules. The Proposal also involves acquisition by CIHL of CCHL Shares from Dr. Chow, Mr. Kuok and Mr. Tam who are the CIHL Directors. Such acquisitions also constitute connected transaction for CIHL under Rule 14.23 (1)(a) of the Listing Rules.

As the Proposal constitutes connected transactions for CIHL, the Listing Rules requires that the Proposal be disclosed by press notice and included in CIHL's next published annual report and accounts. It is also required under the Listing Rules that the Proposal be subject to CIHL Independent Shareholders' approval. A special general meeting of CIHL will be convened for the CIHL Independent Shareholders to consider and, if thought fit, to approve the Proposal. A circular containing the details of the Proposal and the notice of the special general meeting of CIHL will be despatched to the CIHL Shareholders as soon as practicable.

#### **INFORMATION ON THE CCHL GROUP**

The chart below illustrates the shareholding structure of CCHL as at the date of this announcement:



The CCHL Group is principally engaged in building construction, building maintenance and civil engineering in Hong Kong.

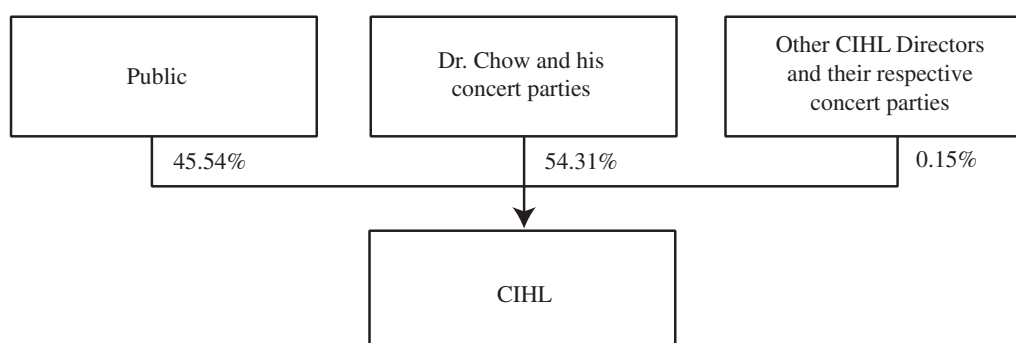
A summary of the audited consolidated results of the CCHL Group for each of the two years ended 31st March, 2003 is set out below:

	Year ended 31st March,	
	2002 HK\$'000	2003 HK\$'000
Turnover	526,927	225,498
Profit from operations	6,514	18,043
Profit before taxation	7,376	19,231
Profit after tax but before minority interest	6,850	7,604
Profit attributable to CCHL Shareholders	6,723	7,418

As at 31st March, 2003, the audited consolidated net asset value of the CCHL Group was approximately HK\$76.4 million, representing HK\$0.307 per CCHL Share (based on 249,000,000 CCHL Shares in issue as at the date of this announcement).

#### INFORMATION ON CIHL GROUP

The chart below illustrates the shareholding structure of CIHL as at the date of this announcement:



CIHL is an investment holding company. CIHL, through its subsidiaries, is principally engaged in marketing, installation and maintenance of lifts and escalators, curtain walls and aluminum windows, air-conditioning systems, electrical and mechanical systems, power equipment and industrial equipment; environmental engineering; supply and installation of building materials and equipment; sale, servicing and leasing of automobiles; property development, investment and management; hotel investment and management; insurance underwriting and brokerage; provision of a wide range of voice and data communication equipment and services, system integrated IT solutions; and sale, distribution and servicing of business machines.

#### SHAREHOLDING STRUCTURE

The table below sets out in detail the shareholding structure of CIHL and CCHL as at the date of this announcement and that of CCHL immediately upon completion of the Proposal:

	At the date of this announcement				Upon successful implementation of the Proposal	
	Number of CIHL Shares	(%)	Number of CCHL Shares	(%)	Number of CCHL Shares	(%)
CIHL	N/A	N/A	89,385,444	35.90	89,385,444	100.00
Dr. Chow and his concert parties	149,739,351	54.31	61,036,489	24.51	–	–
Mr. Kuok and his concert parties	98,216	0.04	1,326,437	0.53	–	–
Mr. Tam and his concert parties	201,488	0.07	632,938	0.26	–	–
Mr. Fung Pak Kwan and his concert parties	91,290	0.03	–	–	–	–
Mr. Kan Ka Hon and his concert parties	29,040	0.01	–	–	–	–
Subtotal of CIHL and its concert parties	150,159,385	54.46	152,381,308	61.20	–	–
Public	125,549,013	45.54	96,618,692	38.80	–	–
	<u>275,708,398</u>	<u>100.00</u>	<u>249,000,000</u>	<u>100.00</u>	<u>89,385,444</u>	<u>100.00</u>

(Note)

*Note:* the Scheme Shares will be cancelled as part of the Proposal

*Dr. Chow is the chairman of both CIHL and CCHL. He is also a CIHL Director and a CCHL Director. Mr. Kuok is a CIHL Director and a CCHL Director. Mr. Tam is a CIHL Director and a CCHL Director. Both Mr. Kan Ka Hon and Mr. Fung Pak Kwan are CIHL Directors.*

Upon the completion of the Proposal, CCHL will become a wholly owned subsidiary of CIHL and the listing of the CCHL Shares on the Stock Exchange will be withdrawn.

There are no outstanding options, warrants or convertible securities in CCHL as at the date of this announcement.

As mentioned above, the making of the Proposal by CIHL is subject to CIHL Independent Shareholders' approval. As at the date of this announcement, all the CIHL Directors and their respective concert parties are in aggregate interested in 150,159,385 CIHL Shares. As all CIHL Directors are presumed to be acting in concert with CIHL under the Takeovers Code, they and their respective concert parties have agreed to, and will abstain from voting in respect of their respective interests in CIHL Shares on the Proposal at the special general meeting of CIHL.

The Proposal, if made, will be subject to, among other things, approval by the CCHL Independent Shareholders at the Court Meeting. CIHL will not vote at the Court Meeting and CCHL Shares held by CIHL will not form part of the Scheme Shares. Dr. Chow, Mr. Kuok and Mr. Tam and their respective concert parties have agreed to, and will abstain from voting on the Proposal at the Court Meeting but the CCHL Shares they hold will form part of the Scheme Shares.

CIHL, Dr. Chow, Mr. Kuok and Mr. Tam have indicated that if the Proposal is approved at the Court Meeting, they will vote or will procure the voting of their beneficial interests in CCHL in favour of the special resolution to be proposed at the special general meeting of CCHL to be convened following the Court Meeting to approve and give effect to the Proposal (including the cancellation of the Scheme Shares and the reduction of the issued share capital of CCHL).

None of CIHL, CIHL Directors and their respective concert parties has dealt for value in CCHL Shares during the six-month period up to and including the date of this announcement.

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

### **Reasons for CIHL**

CCHL Shares have been trading at a discount to its net asset value and the trading volume of the CCHL Shares has been thin. For the two years period up to and including 30th October, 2003, the CCHL Shares have been traded within the range of HK\$0.052 to HK\$0.215 per CCHL Share with an average closing price of the CCHL Shares at approximately HK\$0.116 per CCHL Share. Such average closing price represents a discount of approximately 62.2% to the audited consolidated net asset value per CCHL Share of HK\$0.307 as at 31st March, 2003. The average daily trading volume of the CCHL Shares for the two years period up to and including the Last Trading Day was 34,966 CCHL Shares. Such daily trading volume represents about 0.01% of the issued share capital of CCHL as at the date of this announcement. Given the discount of the market price to the net asset value per CCHL Share and the low liquidity of the CCHL Shares on the Stock Exchange, the CCHL Directors are of the opinion that should CCHL wish to raise additional funds for its business, it may be difficult for CCHL to do so through the equity market.

Since the listing of the Shares on the Stock Exchange in January 1996, CCHL has not raised funds in the open market, save and except for a subscription agreement entered into with Wealthy Town Investments Limited, a company beneficially owned by one of the directors of a subsidiary of CCHL in 2000.

It has been difficult for CCHL, given CCHL's small net asset base, to obtain financing and banking facilities to fund its business development and to participate in sizeable construction projects. After successful implementation of the Proposal, CCHL will become a wholly owned subsidiary of the CIHL which is in a position to give full financial support to CCHL in terms of future business development. CIHL Directors expect that, as part of the CIHL Group with a substantial asset base, CCHL will be in a better position to tender for sizeable construction projects upon completion of the Proposal as the economy, particularly the property market improves.

The Proposal would also result in the elimination of all connected transactions between CCHL and CIHL and in turn streamline the administrative, regulatory and compliance obligations of the CIHL Group.

Taking into accounts the above-mentioned factors, the CIHL Directors consider that the Proposal is in the interests of CIHL Shareholders.

It is the intention of CIHL to maintain the existing business of the CCHL Group upon the successful privatisation of CCHL. CIHL has no intention to seek a listing of CCHL Shares on any stock exchange in the foreseeable future.

### **Benefit for CCHL Shareholders**

The Cancellation Price represents a premium of approximately 16.3%, 23.8% and 37.4% over the average daily closing price of CCHL Shares over the 10-trading days, 30-trading days and 60-trading days respectively up to and including the Last Trading Day. The average daily trading volume for the last two years period up to and including 30th October, 2003 represents about 0.01% of the CCHL Shares in issue as at the date of this announcement. In view of the prevailing market price and the low liquidity of the CCHL Shares, the CCHL Directors believe that the Proposal provides an opportunity for all Scheme Shareholders to realise their investments in CCHL at a premium to the prevailing market price of the CCHL Shares. The Cancellation Price also represents a discount of about 18.6% to the audited consolidated net assets value per CCHL Share as at 31st March, 2003.

### **CONDITIONS OF THE PROPOSAL**

The making of the Proposal by CIHL is subject to the approval of the Proposal (by way of poll) by the CIHL Independent Shareholders at the special general meeting of CIHL. All the CIHL Directors and their respective concert parties and associates will abstain from voting.

#### **Warning:**

**CIHL Shareholders, CCHL Shareholders and potential investors in CIHL and/or CCHL should be aware that the CIHL Independent Shareholders may or may not approve the Proposal and therefore the Proposal may or may not be made by CIHL. They are advised to exercise caution when dealing in the CIHL Shares and/or CCHL Shares.**

The Proposal, if made by CIHL, will become effective and binding on all Scheme Shareholders, subject to the fulfillment or waiver (as applicable) of the following conditions:

- (a) the approval of the Proposal (by way of poll) by a majority in number of the CCHL Independent Shareholders representing not less than three-fourths in value of the Scheme Shares present and voting either in person or by proxy at the Court Meeting to consider the Proposal, provided that:
  - (i) the Scheme is approved by at least 75% of votes attaching to the Scheme Shares held by the CCHL Independent Shareholders present and voting either in person or by proxy; and
  - (ii) the number of votes cast against the resolution to approve the Proposal is not more than 10% of the votes attaching to the Scheme Shares held by the CCHL Independent Shareholders;
- (b) the passing of a special resolution at the special general meeting of CCHL to be convened following the Court Meeting to approve and give effect to the Proposal (including the cancellation of the Scheme Shares and the reduction of the issued share capital of CCHL) by a majority of at least three-fourths of votes cast by the CCHL Shareholders present and voting, in person or by proxy;
- (c) the sanction of the Proposal (with or without modification) by the Supreme Court of Bermuda and the delivery to the Registrar of Companies in Bermuda of a copy of the order of the Supreme Court of Bermuda for registration;
- (d) the necessary compliance with the requirements of Section 46 of the Companies Act in relation to the reduction of the issued share capital of CCHL as regards the Scheme Shares;
- (e) all Authorisations in connection with the Proposal having been obtained from, with or by (as the case may be) the Relevant Authorities, in Bermuda and/or Hong Kong and/or any other relevant jurisdictions;
- (f) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Proposal becomes effective;
- (g) all other necessary consents which may be required under any existing contractual obligations of CCHL being obtained; and
- (h) all other necessary consents which may be required under any existing contractual obligations of CIHL being obtained.

CIHL reserves the right to waive conditions (g) and/or (h), either in whole or in respect of any particular matter. In the event that condition (e) or (f) is not fulfilled by reason of an Authorisation not having been obtained, CIHL reserves the right to assess the materiality of such non-fulfillment and to waive the fulfillment of such condition to such extent where it considers appropriate. Conditions (a) to (d) cannot be waived in any event. All of the above conditions will have to be fulfilled or waived, as applicable, on or before 31st March, 2004 (or such other date as CIHL and CCHL may agree or as the Supreme Court of Bermuda may direct), otherwise the Proposal will lapse. An announcement will be made by CIHL and CCHL if the Proposal lapses.

**Warning:**

**CIHL Shareholders, CCHL Shareholders and potential investors in CIHL and/or CCHL should be aware that the implementation of the Proposal is subject to the conditions as set out above being fulfilled or waived, as applicable, and thus may or may not become effective. They are advised to exercise caution when dealing in the CIHL Shares and/or CCHL Shares.**

**WITHDRAWAL OF LISTING OF SHARES**

Upon the Proposal becoming effective, all the Scheme Shares will be cancelled. Share certificates for the CCHL Shares held by the Scheme Shareholders will thereafter cease to have effect as documents or evidence of title. CCHL will apply to the Stock Exchange for the withdrawal of the listing of the CCHL Shares on the Stock Exchange. The Scheme Shareholders will be notified by way of a press announcement of the exact dates on which the Proposal and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. The Proposal will lapse if it does not become effective on or before 31st March, 2004 or such later date as CIHL and CCHL may agree or as the Supreme Court of Bermuda may direct, and the Scheme Shareholders will be notified by way of a press announcement accordingly. A detailed timetable of the Proposal will be included in a scheme document of CCHL to be despatched to CCHL Shareholders, which will also contain, inter alia, further details of the Proposal.

The listing of the CCHL Shares will not be withdrawn if the Proposal is not approved or lapses.

**OVERSEAS CCHL SHAREHOLDERS**

The making of the Proposal to persons not resident in Hong Kong may be subject to the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any overseas CCHL Shareholders wishing to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

**SUSPENSION AND RESUMPTION OF TRADING**

At the request of CIHL and CCHL, trading in the CIHL Shares and CCHL Shares on the Stock Exchange was suspended from 9:30 a.m. on Friday, 31st October, 2003 pending the release of this announcement. Applications have been made by CIHL and CCHL to the Stock Exchange for the resumption of trading in the CIHL Shares and CCHL Shares with effect from 9:30 a.m. on Monday, 3rd November, 2003.

**GENERAL**

A circular of CIHL containing, among other things, details of the Proposal, the letter of advice from Access Capital Limited to the CIHL Board and a notice of the special general meeting of CIHL will be despatched to the CIHL Shareholders as soon as practicable.

An independent board committee of the CCHL Board will be formed to advise the CCHL Independent Shareholders in connection with the Proposal. Quam Capital Limited has been appointed, subject to the approval of the Proposal by CIHL Independent Shareholders at the special general meeting of CIHL, to advise the independent board committee of CCHL in connection with the Proposal.

Subject to the approval of the Proposal by the CIHL Independent Shareholders at the special general meeting of CIHL, a scheme document containing, inter alia, further details of the Proposal, the expected timetable, an explanatory statement as required under the Companies Act, information regarding the CCHL Group, the recommendation of the independent board committee of CCHL with respect to the Proposal, a letter of advice from Quam Capital Limited to the independent board committee of CCHL, a notice of the Court Meeting and a notice of the special general meeting of CCHL will be despatched to the CCHL Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code.

## DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Authorisation(s)”	all necessary authorisations, registrations, filing, rulings, consents, permissions and approvals in connection with the Proposal
“Cancellation Price”	HK\$0.25 in cash per CCHL Share
“CCHL”	Chevalier Construction Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange, and in respect of which 35.9% of the issued share capital is owned by CIHL as at the date of this announcement
“CCHL Board”	board of CCHL Directors
“CCHL Director(s)”	director(s) of CCHL
“CCHL Group”	CCHL and its subsidiaries
“CCHL Independent Shareholder(s)”	shareholders of CCHL Shares (other than CIHL, CIHL Directors and any of their respective associates and parties acting in concert with them)
“CCHL Share(s)”	share(s) of HK\$0.1 each in the capital of CCHL
“CIHL”	Chevalier International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“CIHL Board”	board of CIHL Directors
“CIHL Director(s)”	director(s) of CIHL
“CIHL Group”	CIHL and its subsidiaries
“CIHL Independent Shareholder(s)”	holder(s) of CIHL Share(s) (other than CIHL Directors and their respective associates and parties acting in concert with them)
“CIHL Share(s)”	share(s) of HK\$1.25 each in the capital of CIHL
“CIHL Shareholder(s)”	holder(s) of CIHL Shares
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Court Meeting”	a meeting of the CCHL Independent Shareholders to be convened at the direction of the Supreme Court of Bermuda to consider the Proposal
“Dr. Chow”	Dr. Chow, the chairman of both CIHL Board and CCHL Board
“Last Trading Day”	30th October, 2003, being the last trading day prior to the suspension of trading in the CIHL Shares and CCHL Shares pending the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Kuok”	Mr. Kuok Hoi Sang, a CIHL Director and a CCHL Director
“Mr. Tam”	Mr. Tam Kwok Wing, a CIHL Director and a CCHL Director
“Proposal”	the proposal for the privatisation of CCHL by CIHL by way of the Scheme
“Relevant Authorities”	appropriate government and/or governmental bodies, regulatory bodies, courts or institutions
“Scheme”	scheme of arrangement under section 99 of the Companies Act involving the cancellation of all the Scheme Shares



“Scheme Share(s)”	CCHL Share(s) held by the Scheme Shareholders
“Scheme Shareholder(s)”	holder(s) of the CCHL Share(s) other than CIHL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“%”	per cent.

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

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

Hong Kong, 31st October, 2003

*The CIHL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the CCHL Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

*The CCHL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the CIHL Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

Please also refer to the published version of this announcement in The Standard.