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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 DISPOSAL OF A CAR DEALERSHIP BUSINESS IN CANADA

The Board is pleased to announce that on 16 September 2025 (after trading hours of the Stock Exchange), the Vendors (all of which are indirect wholly-owned subsidiaries of the Company) and the Purchasers entered into the Asset Purchase Agreement, pursuant to which the Vendors have conditionally agreed to sell the Properties and the Business Assets, at the Consideration.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios exceed 5% but all of the applicable percentage ratios are less than 25%, the transaction contemplated under the Asset Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

THE DISPOSAL

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Details of the Disposal are set out below:

Asset Purchase Agreement

Material terms of the Asset Purchase Agreement are set out below:

- Parties:
- (1) the Vendors; and
 - (2) the Purchasers.
- Subject matter:
- Subject to the terms and conditions of the Asset Purchase Agreement, the Vendors have agreed to sell, transfer and assign the Properties and the Business Assets, on an “as-is” basis, to the Purchasers, among which:
- (1) the Property Purchaser A has agreed to acquire Property A;
 - (2) the Property Purchaser B has agreed to acquire Property B; and
 - (3) the Business Purchaser has agreed to acquire the Business Assets.
- Consideration:
- The sum of:
- (1) base price of CA\$23.00 million (equivalent to approximately HK\$130.41 million) for the Properties and Goodwill; and
 - (2) approximately CA\$2.57 million (equivalent to approximately HK\$14.57 million) for other Business Assets (subject to any post-closing adjustments).
- Payment terms:
- (1) Prior to the date of the Asset Purchase Agreement, the Purchasers had paid a deposit of CA\$100,000 (equivalent to approximately HK\$567,000) (the “**First Deposit**”);
 - (2) On the date of the Asset Purchase Agreement, a further deposit of CA\$200,000 (equivalent to approximately HK\$1.13 million) (the “**Second Deposit**”) was paid by the Purchasers; and
 - (3) The remaining balance of the Consideration shall be paid at Closing by the Purchasers.
- The First Deposit and Second Deposit have become non-refundable.
- Closing:
- Closing will take place on the Closing Date.

Condition Precedents:	<p>The completion of the Disposal on the Closing Date is subject to the fulfilment of certain conditions precedent:</p> <ul style="list-style-type: none"> (i) The Parties' representations and warranties in the Asset Purchase Agreement being true and accurate in all material respects as of the Closing Date; (ii) There being no law or legal action or proceeding pending or threatened that would materially affect the Purchasers' ability to complete the Disposal or impose limitations or conditions on the Disposal that would result in an event that is material and adverse to the Business or the Properties; and (iii) The Parties having respectively delivered closing deliverables in form and substance reasonably satisfactory to each other.
Offer of employment to the Business' employees:	The Purchasers agreed to offer employment to the employees of the Business (save for a few) subject to the terms and conditions set out in the Asset Purchase Agreement.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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

The Board considers that the Disposal represents an opportune moment for the Group to realise the value of its investment in the Business. In recent years, the automotive industry in Canada has encountered significant challenges, including rising interest rates and increasing costs of new vehicles, which have dampened consumers' interest in purchasing new cars. By divesting the Business, the Group can streamline its operations, mitigate exposure to market fluctuations, and reallocate resources towards its core businesses, which offer higher growth potential and synergies with the Group's strategic focus.

The Consideration was determined after arm's length negotiations between the Parties based on normal commercial terms with reference to (i) the appraised market value of the Properties as advised by an independent valuer; (ii) the pre-tax earnings of the Business and prevailing range of price-earnings multiples in the market; (iii) the net carrying value of the Business Assets as at 31 July 2025 and aging analysis of certain inventories; and (iv) the current business and macro-economic environment in Canada.

The Directors confirmed that the Asset Purchase Agreement and the Disposal are conducted on normal commercial terms and will have no material adverse impact on the operations and financial position of the Group. The Directors are of the view that the terms of the Disposal (including the Consideration) are fair and reasonable and that the Disposal is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES TO THE ASSET PURCHASE AGREEMENT

Business Vendor

The Business Vendor is a company incorporated in Ontario, Canada, and an indirect wholly-owned subsidiary of the Company. The Business Vendor is primarily engaged in sale and servicing of automobiles.

Property Vendor A

The Property Vendor A is a company incorporated in Ontario, Canada, and an indirect wholly-owned subsidiary of the Company. The Property Vendor A is primarily engaged in investment holding.

Property Vendor B

The Property Vendor B is a company incorporated in Ontario, Canada, and an indirect wholly-owned subsidiary of the Company. The Property Vendor B is primarily engaged in investment holding.

Business Purchaser

The Business Purchaser is a company incorporated in Canada and is primarily engaged in sale and servicing of automobiles. The sole shareholder of the Business Purchaser is Sonu Arora.

Property Purchaser A

The Property Purchaser A is a company incorporated in Ontario, Canada and is primarily engaged in real estate holding. The sole shareholder of the Property Purchaser A is Sonu Arora.

Property Purchaser B

The Property Purchaser B is a company incorporated in Ontario, Canada and is primarily engaged in real estate holding. The sole shareholder of the Property Purchaser B is Sonu Arora.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Business Purchaser, Property Purchaser A and Property Purchaser B and their ultimate beneficial owners are Independent Third Parties.

GENERAL

Information of the Business Assets and the Properties

The Business Assets

The non-Property assets relating to the Business to be acquired by the Purchasers from the Vendors include, amongst other things, (a) all unsold new vehicles; (b) certain unsold used vehicles; (c) certain demonstrator/service loaner vehicles; (d) parts, tires, fluids and accessories; (e) work in progress; (f) prepaid expenses; (g) business receivables; (h) undelivered sold vehicles; (i) furniture, fixtures, equipment and machinery; and (j) the Goodwill (collectively the “**Business Assets**”).

The Properties

Prior to the date of the Asset Purchase Agreement, the Business Vendor operated the Business on the Properties.

Financial Information of the Properties

The unaudited financial information attributable to the Properties for the two years ended 31 March 2024 and 31 March 2025, were set out below:

	Year ended 31 March 2024 (CA\$'000)	Year ended 31 March 2025 (CA\$'000)
Revenue	393	414
Net profit before taxation	6	10
Net profit after taxation	1	6

As at 31 July 2025, the carrying value of the Properties was approximately CA\$7.27 million (equivalent to approximately HK\$41.22 million).

Financial Information of the Business Assets

The unaudited financial information attributable to the Business Assets for the two years ended 31 March 2024 and 31 March 2025, were set out below:

	Year ended 31 March 2024 (CA\$'000)	Year ended 31 March 2025 (CA\$'000)
Revenue	38,298	33,932
Net profit before taxation	357	202
Net profit after taxation	254	164

As at 31 July 2025, the carrying value of the Business Assets was approximately CA\$3.61 million (equivalent to approximately HK\$20.47 million).

Listing Rules Implications

As one of the applicable percentage ratios exceed 5% but all of the applicable percentage ratios are less than 25%, the transaction contemplated under the Asset Purchase Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Financial Impact of the Disposal

Upon completion of the Disposal, the Group is expected to record an unaudited gain on the Disposal before taxation of approximately CA\$13.75 million (equivalent to approximately HK\$77.96 million). Such gain was calculated based on the estimated final Consideration (at CA\$25.57 million or equivalent to approximately HK\$144.98 million) less the unaudited carrying value of the Properties and Business Assets as at 31 July 2025 (being a total of approximately CA\$10.88 million or equivalent to approximately HK\$61.69 million) and the estimated transaction costs but without taking into account post-closing adjustments (if any).

The actual gain as a result of the Disposal to be recorded by the Company may differ from the above estimated gain as the actual gain will depend on (i) the exact amount of final Consideration, and (ii) the final calculation of post-closing adjustments. Therefore, such calculation is only an estimate provided for illustrative purposes and is subject to the final audit to be performed by the Group's auditors.

The Directors do not anticipate that the completion of the Disposal will have a significant effect on the business and performance of the Group as a whole.

Use of Proceeds from the Disposal

The Directors currently intend to use and/or allocate the proceeds from the Disposal as the Group's general working capital.

DEFINITIONS

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

“Asset Purchase Agreement”	the agreement dated 16 September 2025 and entered into between the Vendors and Purchasers regarding, inter alia, the sale and purchase of the Properties and the Business Assets
“Board”	the board of Directors
“Business”	the sale and leasing of new Honda and used vehicles, the provision of repair, maintenance services for Honda vehicles, the sale of Honda parts and all operations reasonably ancillary thereto

“Closing”	the completion of transactions pursuant to the Asset Purchase Agreement
“Closing Date”	the later of (i) 25 September 2025 and (ii) such other date as may be agreed upon in writing among the Vendors and the Purchasers
“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)
“Consideration”	the total consideration payable by the Purchasers to the Vendors for the Disposal, being the sum of (i) the base price of CA\$23.00 million (equivalent to approximately HK\$130.41 million); and (ii) the value of the Business Assets to be determined in accordance with the terms of the Asset Purchase Agreement less certain outstanding payables of the Business Vendor and liabilities assumed by the Purchasers in connection with the Business as at the Closing Date (subject to post-closing adjustments)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Properties and the Business Assets by the Vendors to the Purchasers, pursuant to the Asset Purchase Agreement
“Goodwill”	collectively, the business name of “Action Honda” together with related intellectual property and goodwill in connection with the Business
“Group”	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) who is/are independent of, and not connected with, the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Parties”	the Purchasers and the Vendors
“Properties”	collectively, Property A and Property B
“Property A”	the buildings, structures and fixed improvements located at 4320 Kingston Road, Toronto, Ontario, Canada
“Property B”	the buildings, structures and fixed improvements located at 4334-4346 Kingston Road, Toronto, Ontario, Canada
“Purchasers”	means, collectively: <ul style="list-style-type: none"> (i) Arora Auto Group Inc., a company incorporated in Ontario, Canada (the “Property Purchaser A”); (ii) 1001292393 Ontario Inc., a company incorporated in Ontario, Canada (the “Property Purchaser B”); and (iii) 12366827 Canada Ltd., a company incorporated in Canada (the “Business Purchaser”)
“Shareholder(s)”	holder(s) of the ordinary share(s) in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Vendors”	means, collectively: <ul style="list-style-type: none"> (i) Chevalier Leasing Ltd., a company incorporated in Ontario, Canada, and an indirect wholly-owned subsidiary of the Company (the “Property Vendor A”); (ii) 757040 Ontario Limited, a company incorporated in Ontario, Canada, and an indirect wholly-owned subsidiary of the Company (the “Property Vendor B”); and (iii) Chevalier Automobiles Inc, a company incorporated in Ontario, Canada, and an indirect wholly-owned subsidiary of the Company (the “Business Vendor”)

“CA\$”

Canadian Dollars, the lawful currency of Canada

“%”

per cent

For illustrative purposes, sums in CA\$ in this announcement are translated to HK\$ at the rate of CA\$1 = HK\$5.67. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By Order of the Board
Chevalier International Holdings Limited
KUOK Hoi Sang
Chairman

Hong Kong, 16 September 2025

As at the date of this announcement, the Board of the Company comprises Messrs Kuok Hoi Sang (Chairman), Chow Vee Tsung, Oscar (Vice Chairman), Tam Kwok Wing (Managing Director), 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.

* *For identification purpose only*