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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

On 2 May 2025 (after trading hours of the Stock Exchange), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, under which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property for a total consideration of CA\$13,650,000 (equivalent to approximately HK\$75,075,000).

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

THE AGREEMENT

Date

2 May 2025

Parties

1. Macleh (Chevalier) Ltd., as the Vendor; and
2. Northam Properties (VI) Inc., as the Purchaser.

Sale and Purchase

Subject to the terms and conditions of the Agreement, the Vendor has agreed to sell, transfer, assign, set over and convey the Property to the Purchaser (or its Affiliate) and the Purchaser (or its Affiliate) has agreed to purchase, acquire and assume the Property from the Vendor on an “as-is” basis but without any tenancies.

Consideration

The Consideration shall be paid by the Purchaser as follows:

- (i) the First Deposit shall be paid to and held by the Vendor's solicitors in an interest-bearing account within three (3) Business Days of the date of execution of the Agreement;
- (ii) the Second Deposit shall be paid to and held by the Vendor's solicitors in an interest-bearing account within three (3) Business Days after the Due Diligence Date; and
- (iii) the Balance shall be paid to the Vendor's solicitors on Closing.

Barring any default by the Purchaser, the First Deposit will remain refundable (together with all accrued interest) until the Purchaser serves the Satisfaction Notice on or before the Due Diligence Date.

After the Satisfaction Notice has been served, the First Deposit and Second Deposit will be non-refundable unless the Agreement is terminated through no default on the part of the Purchaser.

For a period of up to 12 months after Closing, the Balance will remain subject to any Closing Adjustments.

Conditions and Closing of the Disposal

After the Due Diligence Date, unless the Agreement is earlier terminated and subject to the following conditions precedent having been satisfied (or waived) by or as at Closing, Closing shall occur on the Closing Date:

- (i) the Vendor's title to the Property being good and marketable, and free from all encumbrances except for those permitted under the Agreement;
- (ii) the Vendor having delivered to the Purchaser, at least ten (10) Business Days prior to Closing, a copy of termination notice evidencing the termination of the Chevalier Lease to the Purchaser's reasonable satisfaction and an executed lease termination agreement in prescribed form evidencing the termination of the Lease;
- (iii) all of the terms, covenants and conditions of the Agreement to be complied with or performed by the Parties respectively having been complied with or performed in all material respects; and
- (iv) the Parties' respective representations and warranties under the Agreement remaining true, accurate and not misleading in all material respects.

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 Group has been investing in real estate in Canada since the late 1980s. From time to time, the Group will review its investments in order to optimize financial returns and the Group's performance as a whole. Having considered a wide range of factors, including but not limited to the prevailing market value of the Property as well as the current business and macro-economic environment in Canada, the Group decided to dispose of the Property and reallocate the proceeds from the Disposal to the Group's general working capital.

The Vendor had engaged independent professional brokers to market the Property, through the process of which a number of offers were considered and negotiated. The final Consideration was determined after arm's length negotiations between the Parties having considered the factors mentioned above, inter alia, (i) the prevailing market value of the Property; and (ii) the current business and macro-economic environment in Canada.

The Directors confirmed that the 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 as a whole. The Directors believe 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 AGREEMENT

Vendor

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

Purchaser

The Purchaser is a company incorporated in Ontario, Canada. It is a special purpose vehicle held by Egerson Holdings, S.A., a Luxembourg based international investment holding company. Egerson holds and manages a group of affiliated alternative investors that actively invest in real estate, private equity and listed securities primarily in Europe and North America. The sole shareholder is Mr. Roland K. Staub.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

GENERAL

Listing Rules Implications

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

Financial Information of the Property

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

	Year ended 31 March 2024 <i>(CA\$'000)</i>	Year ended 31 March 2025 <i>(CA\$'000)</i>
Revenue	108	144
Net rental income before taxation	7	42
Net rental income after taxation	5	31

Financial Impact of the Disposal

Upon completion of the Disposal, the Group is expected to record an unaudited loss on the Disposal before taxation of approximately CA\$760,000 (equivalent to approximately HK\$4,180,000). Such loss was estimated based on the Consideration less the unaudited book value of the Property as at 31 March 2025 (being CA\$14,000,000 or equivalent to approximately HK\$77,000,000) and the estimated transaction costs without taking into account the Closing Adjustments, if any. The actual loss as a result of the Disposal to be recorded by the Company may differ from the above estimated loss as the actual loss will depend on the final calculation of the 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 Company'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:

“Affiliate”	any person or entity directly or indirectly controlled by or under the common control with the Purchaser, which (pursuant to the one-time assignment right granted to the Purchaser under the Agreement) must be an Independent Third Party
“Agreement”	the agreement dated 2 May 2025 and entered into between the Vendor and the Purchaser regarding, inter alia, the sale and purchase of the Property
“Balance”	balance of the Consideration after deducting the First Deposit and Second Deposit (together with all interests accrue thereon)
“Board”	the board of Directors
“Business Day(s)”	any day other than a Saturday, a Sunday, a legal statutory holiday in Toronto, Ontario, Canada
“Chevalier Lease”	existing monthly lease/occupancy agreement dated 1 April 2024 with the Vendor’s affiliated company, Chevalier Automobiles Inc., on the southern portion of the Property
“Closing”	the closing of the transaction contemplated under the Agreement
“Closing Adjustments”	adjustments on, inter alia, various accounts payable and accounts receivable for which the Vendor shall be responsible up to the Closing Date and the Purchaser shall be responsible on and after the Closing Date in accordance with the Agreement
“Closing Date”	the first Business Day which is 120 days following the Due Diligence Date, or such later date as mutually agreed in writing by the Parties
“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”	CA\$13,650,000 (equivalent to approximately HK\$75,075,000), being the total consideration payable by the Purchaser to the Vendor for the Disposal

“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 Property by the Vendor to the Purchaser pursuant to the Agreement
“Due Diligence Date”	17 June 2025, being 45 days after the date of the Agreement
“First Deposit”	CA\$100,000 (equivalent to approximately HK\$550,000)
“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
“Lease”	the lease dated 29 August 2022 between the Vendor, as landlord, and the Tenant, as amended by an addendum dated 29 August 2022, in respect of the premises located at the Property and as same may be further amended, extended or modified from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Parties”	the Purchaser and the Vendor
“Property”	the lands and premises located at 350 Passmore Avenue, Scarborough, Ontario, Canada, which is currently subject to the Lease and the Chevalier Lease
“Purchaser”	Northam Properties (VI) Inc., a company incorporated in Ontario, Canada
“Satisfaction Notice”	the Purchaser’s written notice of satisfaction (or waiver) with its due diligence relating to the Property
“Second Deposit”	CA\$850,000 (equivalent to approximately HK\$4,675,000)
“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
“Tenant”	Pinnacle Transport Ltd.
“Vendor”	Macleh (Chevalier) Ltd., a company incorporated in Ontario, Canada, and an indirect wholly-owned subsidiary of the Company
“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\$5.5. 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, 2 May 2025

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

* *For identification purpose only*