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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 CHRYSLER CAR DEALERSHIP BUSINESS AND RELATED ASSETS AND PROPERTIES IN CANADA

The Board is pleased to announce that on 12 November 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 Business together with its Related Assets and Related Properties 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

The Board is pleased to announce that on 12 November 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 Business together with its Related Assets and Related Properties at the Consideration.

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 Business together with its Related Assets and Related Properties on an “as-is” basis, to the Purchasers, among which:
- (1) the Property Purchaser has agreed to acquire the Related Properties; and
(2) the Business Purchaser has agreed to acquire the Business and its Related Assets.
- Consideration: The sum of:
- (1) base price of CA\$13,750,000 (equivalent to approximately HK\$76,862,500) for the Related Properties; and
(2) the net carrying value of approximately CA\$1,967,000 (equivalent to approximately HK\$10,995,530) estimated as at 31 August 2025 for the Business and its Related Assets (subject to any post-closing adjustments).
- Payment terms: (1) On the date of the Asset Purchase Agreement, a deposit of CA\$100,000 (equivalent to approximately HK\$559,000) was paid by the Purchasers; and
(2) The remaining balance of the Consideration shall be paid at Closing by the Purchasers.
- Closing: Closing will take place on the Closing Date.
- Conditions Precedent: The completion of the Disposal on the Closing Date is subject to the fulfilment of certain conditions precedent:
- (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 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;
- (iii) The consent of OEM having been obtained and such consent having not been suspended or rescinded; and
- (iv) 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.

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. As a result, the Business has suffered net losses before and after taxation for the past two financial years, which was further exacerbated by the global trade wars. Seeing the growing momentum for consolidation in Canada's auto retail market, the Board therefore came to a decision to exit the Chrysler car dealership market by putting the Business (together with its Related Assets and Related Properties) up for sale, but (in the absence of any committed purchase offer) eventually initiating the closure of the Business to mitigate further losses. It was during such closure process that the Purchasers approached the Group with its purchase interest.

The Purchasers (which were a group already engaged in other car dealership businesses in Ontario, Canada) expressed its intention to continue the Business or otherwise operate a Chrysler car dealership business on the Related Properties. The Board therefore considers the Disposal a strategic opportunity to sell the Business together with its Related Assets and Related Properties as a packaged deal to an Independent Third Party purchaser to mitigate losses and unlock the value of, or otherwise realise the Group's investment in, the Related Properties.

The Consideration for the packaged deal was determined after arm's length negotiations between the Parties based on normal commercial terms. As the Business had been recording losses in recent years, no value was given to any goodwill in relation to the Business, and its Related Assets (consisting of mainly inventories) were primarily valued at cost subject to aging discounts. The negotiated value attributable to the Related Properties was determined by reference to their carrying value as at 31 August 2025 and prevailing market trends amidst the Ontario and wider Canadian macro-economic environments.

Following completion of the Disposal, the Group will cease to operate the Business in Canada.

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

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

Business Purchaser

The Business Purchaser is a company incorporated in the Province of Ontario, Canada, and is primarily engaged in operating a franchised Stellantis automotive dealership in Aurora, Ontario. The ultimate beneficial owners of the Business Purchaser are James Ricci, Karen Foss, the Foss Family Trust, and other individuals who collectively control less than one-third of the Business Purchaser.

Property Purchaser

The Property Purchaser is a company incorporated in the Province of Ontario, Canada, and is primarily engaged in owning land and building leased to the Stellantis dealership in Aurora, Ontario. The ultimate beneficial owners of the Property Purchaser are James Ricci, Karen Foss, the Foss Family Trust, and other individuals who collectively control less than one-third of the Property Purchaser.

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

GENERAL

Information of the Related Assets and the Related Properties

The Related 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) all unsold used vehicles; (c) all demonstrator/service loaner vehicles; (d) parts, tires, fluids and accessories; (e) work in progress; (f) prepaid expenses; (g) fixed assets; (h) Business contracts; (i) all records; (j) all licenses, domains and telefax; and (k) all Business names (collectively the “Related Assets”).

The Related Properties

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

Financial Information of the Related Properties

The unaudited financial information attributed by the Property Vendor to the Related Properties for the two years ended 31 March 2024 and 31 March 2025 are set out below:

	Year ended 31 March 2024 (CA\$,000)	Year ended 31 March 2025 (CA\$,000)
Revenue*	264	264
Gain on settlement of land expropriation claim	–	696
Net (loss)/profit before taxation	(17)	711
Net profit after taxation	5	583

* *Revenue represents intra-group rental income, which is eliminated upon consolidation*

Financial Information of the Business and its Related Assets

The unaudited financial information attributed by the Business Vendor to the Business and its Related Assets for the two years ended 31 March 2024 and 31 March 2025 are set out below:

	Year ended 31 March 2024 (CA\$,000)	Year ended 31 March 2025 (CA\$,000)
Revenue	12,403	9,487
Net loss before taxation	(359)	(337)
Net loss after taxation	(336)	(336)

As at 31 August 2025, the Group's carrying values of the Related Properties and the Related Assets were approximately CA\$8,561,000 (equivalent to approximately HK\$47,855,990) and approximately CA\$2,048,000 (equivalent to approximately HK\$11,448,320), respectively.

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\$4,362,000 (equivalent to approximately HK\$24,383,580). Such gain was estimated based on the estimated Consideration (at CA\$15,717,000 or equivalent to approximately HK\$87,858,030) less the unaudited carrying value of the Related Properties and Related Assets as at 31 August 2025 (being a total of CA\$10,609,000 or equivalent to approximately HK\$59,304,310) and the estimated transaction costs 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 12 November 2025 and entered into between the Vendors and the Purchasers regarding the Disposal
“Board”	the board of Directors
“Business”	the sale and leasing of new and used OEM vehicles, the provision of repair, maintenance services for OEM vehicles, the sale of OEM parts and all operations reasonably ancillary thereto
“Closing”	the completion of transactions pursuant to the Asset Purchase Agreement
“Closing Date”	the later of (i) 17 November 2025 and (ii) the date which is the fifth business day after the day on which the consent of OEM is received, or 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\$13,750,000 (equivalent to approximately HK\$76,862,500) for the Related Properties; and (ii) the net carrying value of approximately CA\$1,967,000 (equivalent to approximately HK\$10,995,530) estimated as at 31 August 2025 for the Business and its Related Assets (subject to any post-closing adjustments). For the purpose of this announcement, all references to carrying value for the Business and/or its Related Assets have taken into account deductions for business payables and pre-closing excluded liabilities.
“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 Business together with its Related Assets and Related Properties by the Vendors to the Purchasers, on terms of the Asset Purchase Agreement
“Foss Family Trust”	Foss Family (2007) Trust, a discretionary trust with Karen Foss acting as trustee and the beneficiaries of which are descendants of Roy Charles Foss
“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 of Hong Kong Limited
“OEM”	FCA Canada Inc. and/or Stellantis Canada
“Parties”	the Purchasers and the Vendors
“Related Properties”	the real properties, building(s), structure(s) and fixed improvements located at: (i) 5 and 7 Allaura Boulevard, Aurora, Ontario, Canada; and (ii) 14535-14583 Yonge Street, Aurora, Ontario, Canada
“Purchasers”	means, collectively, (i) 1001343586 Ontario Inc., a company incorporated in the Province of Ontario, Canada (the “Property Purchaser”); and (ii) 1001329259 Ontario Inc., a company incorporated in the Province of Ontario, 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:
	(i) Macont Developments Inc., a company incorporated in Ontario, Canada (the “Property Vendor”); and
	(ii) Chevalier Chrysler Inc., a company incorporated in Ontario, Canada (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\$5.59. 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, 12 November 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*