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AUTO ITALIA HOLDINGS LIMITED

意達利控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

- (1) VERY SUBSTANTIAL ACQUISITION AND
CONNECTED TRANSACTION INVOLVING ISSUE OF
CONSIDERATION SHARES UNDER SPECIFIC MANDATE
(2) REVERSE TAKEOVER INVOLVING A NEW LISTING APPLICATION
(3) APPLICATION FOR WHITEWASH WAIVER
AND
(4) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Sole Sponsor to the Company's new listing application

ALTUS CAPITAL LIMITED

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



THE ACQUISITION

On 26 November 2021, the Purchaser, an indirect wholly-owned subsidiary of the Company and the Vendor entered into the Agreement pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Share. The consideration for the acquisition of the Sale Share is HK\$960 million, and will be settled by way of allotment and issue of the Consideration Shares at the Issue Price of HK\$0.138 per Share.

* For identification purpose only.

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate, and shall rank *pari passu* with the Shares in issue.

The Consideration Shares represent approximately 131.4% of the existing issued share capital of the Company as of the date of this announcement; and approximately 56.8% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Upon Completion, the Company will hold the entire issued share capital of the Target Company through the Purchaser and the Target Group will become subsidiaries of the Company and accordingly, their financial results and positions will be consolidated into the consolidated financial statements of the Company.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a very substantial acquisition and a reverse takeover for the Company under Chapter 14 of the Listing Rules and the Company is being treated as if it is a new listing applicant under Rule 14.54 of the Listing Rules. Accordingly, the Acquisition is subject to the approval by the Listing Committee of the new listing application to be made by the Company. The new listing application is required to comply with all the requirements of the Listing Rules.

As at the date of this announcement, the Vendor is controlled as to more than 30% of its issued share capital by Ms. Mak, a substantial shareholder of the Company who is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the approval by the Independent Shareholders at the SGM by way of poll.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR THE WHITEWASH WAIVER

As at the date of this announcement, the Vendor and the Concert Group are interested in an aggregate of 1,573,284,972 Shares, representing approximately 29.73% of the issued share capital of the Company. Immediately following the allotment and issue of the Consideration Shares, the shareholding of the Vendor and the Concert Group in the Company will be increased to an aggregate of 8,529,806,711 Shares, representing approximately 69.64% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. Immediately after the allotment and issue of the Consideration Shares and assuming that all outstanding Share options of the Company granted under the Option Scheme are fully exercised, the shareholding of the Vendor and the Concert Group in the Company will be increased to an aggregate of 8,938,506,711 Shares, representing approximately 70.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

Under Rule 26.1 of the Takeovers Code, the Vendor would be required to make an unconditional mandatory general offer for all the issued Shares not already owned or agreed to be acquired by it and the Concert Group pursuant to Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted by the Executive.

An application to the Executive for the Whitewash Waiver will therefore be made by the Vendor pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, (i) respective resolutions relating to the Whitewash Waiver and the Acquisition being approved by at least 75% and more than 50%, respectively of the votes cast by the Independent Shareholders at the SGM; and (ii) the Vendor and the Concert Group not having made any acquisitions or disposals of voting rights of the Company between the date of this announcement and completion of the issue of the Consideration Shares unless with the prior consent of the Executive.

The Executive may or may not grant the Whitewash Waiver. It is one of the conditions precedent to Completion that the Whitewash Waiver has been granted. In the event that the Whitewash Waiver is not granted by the Executive or the Whitewash Waiver and the Acquisition are not approved by the Independent Shareholders, the Agreement will lapse and the Acquisition will not proceed.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE SOLE SPONSOR AND THE INDEPENDENT FINANCIAL ADVISER

Altus Capital Limited has been appointed as the Sole Sponsor for the deemed new listing application of the Company.

Pursuant to the Listing Rules and the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in connection with the Acquisition, the Specific Mandate and the Whitewash Waiver.

Honestum International Limited, being a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, has been appointed as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders as to the fairness and reasonableness of the terms of the Acquisition, the Specific Mandate and the Whitewash Waiver. The appointment of Honestum International Limited has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders will be included in the Circular.

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further information on the Acquisition, the grant of Specific Mandate and other information as required to be disclosed under the Listing Rules and the Takeover Code; (ii) details of the Whitewash Waiver; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition, the Specific Mandate and the Whitewash Waiver; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the Specific Mandate and the Whitewash Waiver; (v) a notice of the SGM; and (vi) a form of proxy, will be despatched to the Shareholders within 15 business days from the date of this announcement pursuant to Rules 14.60(7) and 14A.68(11) of the Listing Rules or 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is earlier.

In view of the process required in connection with the new listing application by the Company, the Company expects that more time may be needed for the Stock Exchange to approve the Company's new listing application and for the preparation of the Circular, which is expected to be despatched on or before 30 June 2022. As such, the Company will apply to the Executive pursuant to Rule 8.2 of the Takeovers Code for its consent to extend the time limit for the despatch of the Circular, and the Company will make further announcement on the expected date of despatch of the Circular.

WARNING

Shareholders and potential investors should note that completion of the Acquisition is subject to the fulfillment or waiver (as the case may be) of the conditions under the Agreement. In addition, the Listing Committee of the Stock Exchange may or may not approve the new listing application to be made by the Company. In the event that approval of the new listing application of the Company is not granted, the Agreement will not become unconditional and the Acquisition will not proceed. As the Acquisition may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE AGREEMENT

Date

26 November 2021

Parties

Purchaser: the Purchaser (as purchaser)

Vendor: the Vendor (as vendor)

As at the date of this announcement, the Vendor is beneficially owned as to 92% by Ms. Mak, who in turn is a substantial shareholder of the Company and holds an aggregate of 1,519,016,472 Shares, representing approximately 28.7% of the total issued Shares through her wholly-owned subsidiary, VMS Investment Group Limited. Accordingly, the Vendor is a connected person of the Company.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire from the Vendor the Sale Share and the Vendor has conditionally agreed to sell to the Purchaser the Sale Share, representing the entire issued share capital of the Target Company, subject to the terms and conditions as set out in the Agreement.

Consideration

The Consideration is HK\$960 million, which will be satisfied by way of allotment and issue of the Consideration Shares on the Completion Date at the Issue Price of HK\$0.138 per Consideration Share.

Basis for determination of the Consideration

The Consideration was determined between the Purchaser and the Vendor after arm's length discussions and negotiations with reference to (i) the price-to-earnings ratio of comparable Hong Kong-listed asset management companies in the market; (ii) the potential developing opportunities of the Target Group after the Acquisition such as its ability to access the capital market and the potential enhancement in Shareholders' return, details of which are set out in the paragraph headed "Reasons for and benefits of the Acquisition" below; (iii) the Consideration being wholly settled by way of issue of the Consideration Shares and there being no cash outlay by the Group. The cash resources of the Group can be preserved for development of business of the Group which is beneficial to the Company and the Shareholders as a whole; and (iv) the financial performance of the Target Group for the two years ended 31 December 2019 and 2020, in particular, (a) the increase in number of investments (from 18 investments in 2019 to 26 investments in 2020) and enhancement in profitability (from approximately HK\$25 million in 2019 to approximately HK\$77 million in 2020), and (b) the Target Group's indication on the anticipated continued expansion of its business in 2021 as reflected in the increase in the unaudited consolidated net asset value of the Target Group (excluding non-controlling interests) from HK\$137 million on 31 December 2020 to HK\$224 million on 30 June 2021 (representing a surge of approximately 63.5%).

Consideration Shares

6,956,521,739 Consideration Shares will be allotted and issued by the Company to the Vendor on the Completion Date. The Consideration Shares represent approximately 131.4% of the existing issued share capital of the Company as of the date of this announcement and approximately 56.8% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares immediately after the Completion (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion Date, save as the issue of the Consideration Shares).

As at the date of this announcement, the Vendor and the Concert Group is interested in an aggregate of 1,573,284,972 Shares, representing approximately 29.73% of the issued share capital of the Company. Immediately following the allotment and issue of the Consideration Shares, the shareholding of the Vendor and the Concert Group in the Company will be increased to an aggregate of 8,529,806,711 Shares, representing approximately 69.64% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. Immediately after the allotment and issue of the Consideration Shares and assuming that all outstanding Share options of the Company granted under the Option Scheme are fully exercised, the shareholding of the Vendor and the Concert Group in the Company will be increased to an aggregate of 8,938,506,711 Shares, representing approximately 70.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate, and shall rank *pari passu* with the Shares in issue. The Consideration Shares are not subject to any restriction on subsequent sale upon issue.

As a result of the allotment and issue of the Consideration Shares, the Company expects that it will be able to meet the minimum public float requirement under Rule 8.08 of the Listing Rules.

The Issue Price was determined by the Purchaser and the Vendor after arm's length negotiations, with reference to, including but not limited to the prevailing market price of the Shares. The Issue Price represents:

- (a) a discount of approximately 16.36% to the closing price of HK\$0.165 per Share as quoted on the Stock Exchange on the date of the Agreement;
- (b) a discount of approximately 16.36% to the average closing price of HK\$0.165 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Agreement;
- (c) a premium of approximately 80.58% to the audited net asset value attributable to owners of the Company of HK\$0.076 per Share as at 31 December 2020; and
- (d) a premium of approximately 79.55% to the unaudited net asset value attributable to owners of the Company of HK\$0.077 per Share as at 30 June 2021.

Specific Mandate

The Consideration Shares will be allotted and issued under the Specific Mandate to be granted by the Independent Shareholders at the SGM.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Conditions precedent

Completion is conditional upon the satisfaction or (as the case may be) waiver of the following conditions:

- (a) the Purchaser having been satisfied with the results of such enquiries, investigations and due diligence reviews of the business, affairs, operations and financial position of the Target Group by the Purchaser or any of its officers, employees, agents, professional advisers or other persons authorised by the Purchaser as the Purchaser in its discretion deems necessary, desirable or appropriate to undertake;
- (b) the Agreement and the transactions contemplated hereunder, including the Specific Mandate being approved by more than 50% of the votes of the Independent Shareholders that are cast either in person or by proxy at the SGM;
- (c) the Whitewash Waiver being approved by at least 75% of the votes of the Independent Shareholders that are cast either in person or by proxy at the SGM;
- (d) the Executive having granted the Whitewash Waiver;
- (e) the Reorganisation having been duly completed and all necessary approvals and consents of any authority or of any other person that are required to be obtained in connection with the Reorganisation, including SFC's approval of the Target Company to become the substantial shareholder of the Licensed Corporation having been duly obtained, and such approval or consent not having been revoked or suspended prior to the Completion Date;
- (f) the approval of the Purchaser to become the substantial shareholder of the Licensed Corporation being granted by the SFC (the "**SFC Approval**"), as required under the SFO, on terms satisfactory to the Purchaser, and such approval not having been revoked or suspended prior to the Completion Date;

- (g) the listing of, and permission to deal in, all the Consideration Shares being granted by the Listing Committee of the Stock Exchange (the “**Listing Approval**”) and the Listing Approval not having been revoked prior to the Completion Date;
- (h) the Licenses and consents necessary for the operations of the Licensed Corporation remaining valid, in full force and effect and subsisting up to the Completion Date;
- (i) there not having occurred any event since the Accounts Date which has a material adverse effect on the Target Group (save for such effect on the net asset value of the Target Group which may be caused by the declaration and/or distribution of Dividends);
- (j) the Warranties remaining true and accurate in all respects and not misleading in any respect as of the Completion Date by reference to the facts and circumstances subsisting as at the Completion Date;
- (k) no notice, order, judgement, action or proceeding of any court, arbitrator, authority, statutory or regulatory body having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated by the Agreement or which is reasonably likely to materially and adversely affect the right of the Purchaser to own the legal and beneficial title to the Sale Share, free from encumbrances, following the Completion Date; and
- (l) all necessary approvals and consents of any other person that are required to be obtained in connection with the consummation of the transactions contemplated by the Transaction Documents (including but not limited to those related to the transfer of the Sale Share) shall have been duly obtained and effective as of the Completion Date.

The Purchaser may at any time waive in whole or in part and conditionally or unconditionally any of the foregoing conditions (other than the conditions (b) to (h) which are not waivable by any Parties in any event) by notice in writing to the Vendor. As at the date of this announcement, save as disclosed, in respect of Conditions (e), (f), (g) and Condition (l), the Vendor and the Purchaser are not aware of any necessary approvals and consents of any other person that are required to be obtained in connection with the consummation of the transactions contemplated by the Transaction Documents.

If the conditions in any of the clauses (b) to (h) is not satisfied on or before the Long-Stop Date or any of the other conditions is not satisfied or waived on or before the Completion Date, either Party shall have the right to terminate the Agreement by notice within five (5) Business Days, provided however that (i) the Surviving Provisions shall continue in force following the termination of the Agreement; and (ii) the termination of the Agreement shall be without prejudice to the rights and liabilities of any Party accrued prior to such termination. In all other such circumstances, the Agreement shall lapse without liability to any Party. In the event the Purchaser is unable to obtain any Regulatory Approvals before the Long-Stop Date, the Agreement shall lapse unless the Parties agree upon written request by the Purchaser to the Vendor, of which the Purchaser may extend the Long-Stop Date by a further six (6) month period after the Long-Stop Date.

In respect of Conditions (e) and (f), the applications for change in substantial shareholder of the Licensed Corporation for both the Target Company and the Purchaser will be made to the SFC as soon as possible after signing the Agreement.

The declaration and/or distribution of Dividends by the Target Group

Pursuant to the Agreement, the Purchaser acknowledged and agreed that the Vendor may procure, and the Target Group may declare and/or distribute Dividends on or before the Completion Date, and the Target Group shall have a net asset value of not less than HK\$280,000,000 (excluding non-controlling interests) as at Completion as shown in such evidence to be provided by the Vendor to the satisfaction of the Purchaser.

Completion

Completion will take place on the date falling on the fifth (5) Business Day after the fulfilment or waiver (as the case may be) of all conditions precedent set out in the Agreement, or such other time and place as the Parties may agree in writing.

INFORMATION ON THE GROUP

The Company is a company incorporated in Bermuda with limited liability. The Group is principally engaged in property investment, financial investments and services and life sciences investment.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The Vendor is beneficially owned as to 92% by Ms. Mak, who in turn is a substantial shareholder of the Company, and 8% by VMS Management Partners Limited, a company incorporated in the British Virgin Islands and is principally engaged in investment holding.

INFORMATION ON THE TARGET GROUP

Set out below is the information of the business, shareholding structure and financial information of the Target Group based on the information provided by the Vendor.

The Target Group

The Target Company is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

It is expected that the Reorganisation will take place as soon as possible after signing the Agreement. Completion of the Reorganisation is conditional upon the applications for change in substantial shareholder of the Licensed Corporation for both the Target Company and the Purchaser having been approved by the SFC.

Upon completion of the Reorganisation, the businesses of the Target Group (the “**Target Business**”) shall consist of:

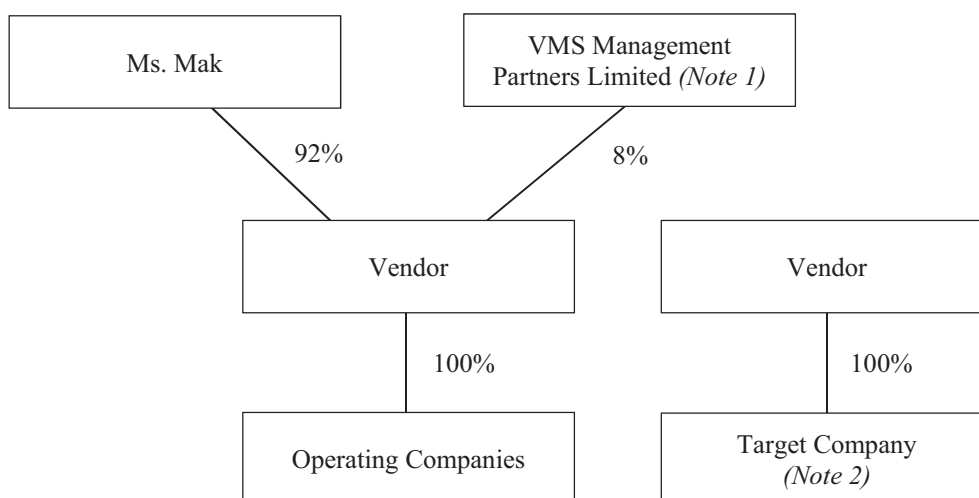
- (a) alternative asset management, with a focus on private equity investments in healthcare and technology, media & telecommunications and consumer (“**TMT**”) sectors in the PRC; and

- (b) the provision of consultancy and project management services which are ancillary to the alternative asset management services or otherwise relate to private equity investments in healthcare and TMT sectors in the PRC, primarily to assist clients in relation to (1) private investment-related transactions; and (2) client's general corporate business, strategy and organisation.

The Licensed Corporation, as one of the Operating Companies, is licensed by the SFC to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities pursuant to the provisions of the SFO.

Shareholding structure of the Target Group

- (a) The following diagram sets out the shareholding structure of the Target Company immediately prior to completion of the Reorganisation:



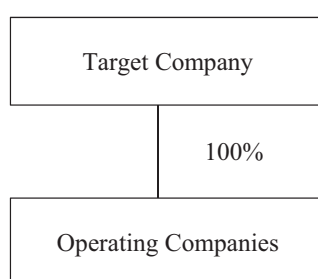
Notes:

- (1) As at the date of this announcement, Mr. Chong Tin Lung Benny holds all issued ordinary shares of VMS Management Partners Limited. All such issued ordinary shares carry voting rights and accordingly, Mr. Chong Tin Lung Benny can exercise 100% voting rights of VMS Management Partners Limited. VMS Management Partners Limited has also issued 251,840 preference shares to certain individuals, i.e. Mr. Chong Tin Lung Benny, Mr. Chow Siu Lui, Mr. Ma Suen Yee Andrew, Mr. Peter Douglas Morton and Mr. Tai Kwok Leung Alexander, who holds 20% of the preference shares each. Such preference shares are not convertible to ordinary shares of VMS Management Partners Limited and only carry rights to receive distribution. They do not carry voting rights. As at the date of this announcement, save for Mr. Chong Tin Lung Benny who holds 51,890,000 Shares and 120,000,000 Share options of the Company granted under the Option Scheme and Mr. Chow

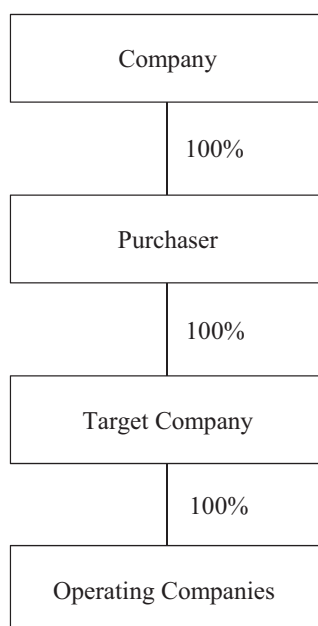
Siu Lui, who is a consultant engaged by the Company for the formation of the Company's new life science investment division from July 2020 onwards and holds 52,000,000 Share options of the Company granted under the Option Scheme as a result, the other individuals do not hold Shares and/or Share options of the Company and do not have any relationship with the Company.

(2) *The Target Company was incorporated in the British Virgin Islands, which is a newly formed special purpose vehicle for the purposes of the Reorganisation.*

(b) The following diagram sets out the shareholding structure of the Target Company after completion of the Reorganisation and prior to Completion:



(c) The following diagram sets out the shareholding structure of the Enlarged Group immediately following Completion:



Upon Completion, the Company will hold the entire issued share capital of the Target Company through the Purchaser and the Target Group will become subsidiaries of the Company and accordingly, their financial results and positions will be consolidated into the consolidated financial statements of the Company.

Financial information of the Target Group

Set out below is the unaudited consolidated financial information of the Target Group for the two years ended 31 December 2020, which is prepared in accordance with Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards:

	For the year ended 31 December	
	2019	2020
	<i>HK\$' million</i>	<i>HK\$' million</i>
	<i>unaudited</i>	<i>unaudited</i>
Total revenue	99	152
Profit before taxation	38	97
Profit after taxation	25	77
Total assets	99	226
Total liabilities	33	82
Net asset value*	60	137

* *Net asset value excluded non-controlling interests*

The Target Group derives revenue primarily from (i) management fees, in the form of a pre-determined fixed percentage of the amount of committed capital of each investor; and (ii) performance fees and carried interest income, which are linked to performance of the investments it manages for investors and are calculated as a pre-determined percentage of the excess returns generated above a pre-determined target or “hurdle” rate of return.

(a) *Management fees*

The Target Group managed 18 investments during the year ended 31 December 2019 and generated management fees of approximately HK\$44 million. Thereafter during the year ended 31 December 2020, the Target Group managed 26 investments and generated management fees of approximately HK\$57 million, representing an increase of approximately 30% from the year ended 2019.

(b) *Performance fees and carried interest income*

The Target Group received performance fees of approximately HK\$12.9 million for the year ended 31 December 2019 and HK\$66.3 million for the year ended 31 December 2020 being incentive profit sharing on realised gain from investments. In addition, the Target Group recorded approximately HK\$9.6 million carried interest income for the year ended 2020 being its share of investment return from the investments in the funds managed by the Target Group.

In addition to the above, the Target Group also recorded consultancy fee income derived from the provision of consulting and project management services, which amounted to approximately HK\$42 million and HK\$12.9 million for the years ended 31 December 2019 and 2020 respectively.

As a result of (i) the abovementioned increase in number of investments and recorded revenue; and (ii) decrease in operating expense, in particular travelling expense due to the outbreak of COVID-19, the Target Group recorded significant increases in profit after taxation, from approximately HK\$25 million for the year ended 31 December 2019 to HK\$77 million for the year ended 31 December 2020.

As at 30 June 2021, the unaudited consolidated net asset value of the Target Group (excluding non-controlling interests) was approximately HK\$224 million. The unaudited consolidated net asset value of the Target Group (including non-controlling interests) was approximately HK\$231 million.

Pursuant to Rule 10 of the Takeovers Code, the above unaudited financial information relating to the Target Group is required to be reported on by the Company's Independent Financial Adviser and its auditors (the "**Reports**"). However, due to the practical difficulties of including the Reports in this announcement in terms of the additional time required for the preparation of the Reports by the Independent Financial Advisers and the reporting accountants, the financial information relating to the Target Group is not strictly in compliance with the requirements of Rule 10 of the Takeovers Code. A full set of the audited financial information relating to the Target Group covering the three financial years as at 31 December 2019, 2020 and 2021 prepared and reported upon by the reporting accountants under Hong Kong Financial Reporting Standards, which will be in full compliance with the requirements under Rule 10 of the Takeovers Code, will be included in the Circular (as defined below) to be issued by the Company to the Shareholders. Shareholders should note that there may be differences between the unaudited financial information relating to the Target Group as presented in this announcement and the audited financial information to be presented in the Circular (as defined below) to be issued by the Company to the Shareholders.

The Company would like to draw to the attention of the Shareholders and potential investors that the above unaudited financial information in relation to the Target Group does not meet the standard required by Rule 10 of the Takeovers Code and is subject to review by the reporting accountants of the Company and therefore subject to changes. Shareholders and potential investors should exercise caution in placing reliance on the above information in assessing the merits and demerits of the Acquisition and any other transactions disclosed in this announcement.

The Vendor did not incur any original acquisition cost for the Sale Share as it was the founder of the Target Group and it did not acquire any member of the Target Group from a third party.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in property investment, financial investments and services and life sciences investment.

The Company is of the view that the Acquisition is in the interests of the Company and the Shareholders as a whole for the following reasons:

- (a) *Track record and business scale of the Target Group:* As referred to in the Company's 2020 annual report, the Company has been reflecting on the prospects for its traditional businesses and looking at ways of adjusting its core business focus in light of the changing macro-environment. The Company has therefore been seeking new opportunities. The Target Business has been continuously profitable throughout 2019 to date, and possesses strong capabilities in its area of business, with a long-term stable and growing client base as well as strong management expertise. Furthermore, the Target Group will significantly enlarge the Group's scale of operations and asset size as the revenue and profit generated by the Target Group relative to those of the Group constitute more than 100%; and the net assets value of the Target Group relative to that of the Group constitute more than 30%.
- (b) *Growth potential of the Target Business and hence the Enlarged Group:* With an aim to enhance Shareholders' return after the Acquisition, access to capital market is beneficial to the growth of the Target Group's asset management business. A listed platform provides the asset manager an avenue to raise seed capital to grow its assets under management. Furthermore, the transparency afforded by a listed platform will certainly appeal to existing and new clients of the asset manager. This is evident from a notable trend of asset management companies seeking public equity funding (e.g. Bridgepoint Group PLC on the London Stock Exchange and Forward Partners Group PLC on the Alternative Investment Market of the London Stock Exchange) which are also seeking to expand their capital base and increase their returns through a listed platform. As such, the Company is of the view that the Target Business has synergy with the Company's prevailing listing status and is a suitable acquisition target for the Company to achieve sustainable growth for its enlarged business and to enhance Shareholders' return.

- (c) *Future expansion strategy of the Group*: The Acquisition is in line with the Group's strategy to diversify into investment of biologics and life sciences, as set out in the Company's 2020 annual report. The Target Business's investment portfolio, experience and client network will also augment the Group's existing financial investment services and life science investment business segments. Further, the single largest shareholder of the Company is already familiar with the Target Business, which will facilitate a seamless integration.

The Directors (excluding (i) the members of the Independent Board Committee who will express their views after having considered the advice of the Independent Financial Adviser, (ii) Mr. Chong Tin Lung Benny who has abstained from voting given that he is a member of the Concert Group and has a material interest in the transactions under the Agreement, and (iii) Mr. Lin Chun Ho Simon who has abstained from voting given that he is involved in the discussion of the transactions under the Agreement) are of the opinion that the terms of the Agreement, including the Consideration and the Issue Price of the Consideration Shares, are fair and reasonable, and the Acquisition is in the interests of the Company and its Shareholders as a whole.

In particular, the Directors (excluding (i) the members of the Independent Board Committee who will express their views after having considered the advice of the Independent Financial Adviser, (ii) Mr. Chong Tin Lung Benny who has abstained from voting given that he is a member of the Concert Group and has a material interest in the transactions under the Agreement, and (iii) Mr. Lin Chun Ho Simon who has abstained from voting given that he is involved in the discussion of the transactions under the Agreement) are of the view that the Consideration and the arrangement to accept a net asset value of not less than HK\$280 million are fair and reasonable, and in the interests of the Company and its Shareholders as a whole, taking into account the following:

- (a) the Target Group is an asset-light service company. The Company values the Target Group by reference to its existing and future earnings potential instead of its existing value of net assets. Hence, the Target Group's valuation relative to its book value is not meaningful;

- (b) the Consideration of HK\$960 million is determined with reference to the operating results and the profitability of the Target Group over the past two years;
- (c) based on the unaudited management accounts of the Target Group for the two years ended 31 December 2019 and 2020, the annual expense of the Target Group was approximately HK\$60 million and HK\$65 million respectively. The long term investments of the Target Group amounted to approximately HK\$56.8 million as of 30 June 2021. After excluding the long term investments of approximately HK\$56.8 million (which cannot be realised in the short run due to the obligation in acting as the general partner to commit in the investments), the minimum net assets of the Target Group after the declaration and/or distribution of the Dividends would become approximately HK\$223.2 million (i.e. HK\$280 million minus HK\$56.8 million); and
- (d) taking into account the aforementioned annual expense, the Company expects that such net asset value would be sufficient to finance the operation of the Target Group for a period of time based on the Target Group's existing scale of operation. On this basis, as the Vendor also wishes to ascertain the Target Group is able to operate on a standalone basis upon Completion, the minimum net asset value of the Target Group upon Completion and after declaration and/or distribution of the Dividends of HK\$280 million is considered to be acceptable.

In short, the Consideration is not determined by reference to the warranted minimum net asset value (excluding non-controlling interests) after the possible declaration and/or distribution of Dividends. The warranted minimum net asset value of not less than HK\$280 million is to ensure there being sufficient resources for business continuation for a period of time upon Completion.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following shareholding table shows the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the allotment and issue of the Consideration Shares, assuming that no other further Shares will be allotted and issued after the date of this announcement and prior to Completion; and (iii) immediately after the allotment and issue of the Consideration Shares, assuming that all outstanding Share options of the Company granted under Option Scheme are fully exercised:

Name of Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the Consideration Shares		Immediately after the allotment and issue of the Consideration Shares (assuming all outstanding Share options are fully exercised) (Note 6)	
	No. of Shares	Approximate % of the issued share capital of the Company	No. of Shares	Approximate % of the issued share capital of the Company	No. of Shares	Approximate % of the issued share capital of the Company
The Vendor and						
the Concert Group:						
VMS Investment Group Limited (Note 1)	1,519,016,472	28.70%	1,519,016,472	12.4%	1,519,016,472	11.91%
Mr. Chong Tin Lung Benny (Note 2)	51,891,000	0.98%	51,891,000	0.42%	171,891,000	1.35%
Mr. Lin Chun Ho Simon (Note 3)	2,377,500	0.05%	2,377,500	0.02%	51,077,500	0.40%
Mr. Huang Zuie-Chin (Note 4)	-	-	-	-	120,000,000	0.94%
Mr. Ng Siu Wai (Note 4)	-	-	-	-	120,000,000	0.94%
The Vendor (Note 5)	-	-	6,956,521,739	56.8%	6,956,521,739	54.54%
Sub-total	1,573,284,972	29.73%	8,529,806,711	69.64%	8,938,506,711	70.08%
Other shareholders:						
Other public shareholders	3,719,230,418	70.27%	3,719,230,418	30.36%	3,816,230,418	29.92%
Total	5,292,515,390	100.0%	12,249,037,129	100.0%	12,754,737,129	100.0%

Notes:

- (1) As at the date of this announcement, Ms. Mak wholly-owns VMS Investment Group Limited, which directly owns approximately 22.94% of the issued share capital of the Company and indirectly owns approximately 5.76% of the issued share capital of the Company through its wholly-owned subsidiary, Maini Investments Limited. VMS Investment Group Limited is thus interested in a total of approximately 28.7% of the issued share capital of the Company. Ms. Mak is also therefore deemed to be interested in such 28.7% of the issued share capital of the Company.
- (2) As at the date of this announcement, Mr. Chong Tin Lung Benny also holds 120,000,000 Share options of the Company granted under the Option Scheme.
- (3) Mr. Lin Chun Ho Simon is an executive Director of the Company and is presumed to be acting in concert with Mr. Chong Tin Lung Benny and Ms. Mak under class (6) of the definition of “acting in concert” in the Takeovers Code. As at the date of this announcement, Mr. Lin Chun Ho Simon also holds 48,700,000 Share options of the Company granted under the Option Scheme.
- (4) As at the date of this announcement, save for Mr. Chong Tin Lung Benny and Mr. Lin Chun Ho Simon, none of the Directors holds any Shares in the Company. Each of Mr. Huang Zuie-Chin and Mr. Ng Siu Wai (all being Directors) holds 120,000,000 Share options of the Company granted under the Option Scheme respectively and is also presumed to be acting in concert with Mr. Chong Tin Lung Benny and Ms. Mak under class (6) of the definition of “acting in concert” in the Takeovers Code.
- (5) As at the date of this announcement, Ms. Mak owns 92% of the Vendor.
- (6) As at the date of this announcement, out of the 505,700,000 outstanding Share options of the Company granted under the Option Scheme, 213,500,000 Share options are vested Share options (“**Vested Options**”), of which their exercise are pegged with certain performance targets. Out of the Vested Options, 141,500,000 Vested Options are immediately exercisable without any performance targets to be met.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a very substantial acquisition and a reverse takeover for the Company under Chapter 14 of the Listing Rules and the Company is being treated as if it is a new listing applicant under Rule 14.54 of the Listing Rules. Accordingly, the Acquisition is subject to the approval by the Listing Committee of the new listing application to be made by the Company. The new listing application is required to comply with all the requirements of the Listing Rules. As at the date of this announcement, the Vendor is controlled as to more than 30% of its issued share capital by Ms. Mak, a substantial shareholder of the Company who is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the approval by the Independent Shareholders at the SGM by way of poll.

Further, it is expected that certain existing transactions in relation to the provision of management services, office leasing and some revenue-generating transactions between the Target Group and the Vendor and its associates (the “**Post-Completion Transactions**”) will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As the annual caps for the Post-Completion Transactions are expected to exceed 5% of the applicable ratios, the Post-Completion Transactions will be subject to the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. The Company will publish an announcement pursuant to Chapter 14A of the Listing Rules as soon as it has entered into the agreements for the Post-Completion Transactions. Further details of the Post-Completion Transactions will be included in the Circular (as defined below).

IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR THE WHITEWASH WAIVER

As at the date of this announcement, the Vendor and the Concert Group are interested in an aggregate of 1,573,284,972 Shares, representing approximately 29.73% of the issued share capital of the Company. Immediately following the allotment and issue of the Consideration Shares, the shareholding of the Vendor and the Concert Group in the Company will be increased to an aggregate of 8,529,806,711 Shares, representing approximately 69.64% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. Immediately after the allotment and issue of the Consideration Shares and assuming that all outstanding Share options of the Company granted under the Option Scheme are fully exercised, the shareholding of the Vendor and the Concert Group in the Company will be increased to an aggregate of 8,938,506,711 Shares, representing approximately 70.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

Under Rule 26.1 of the Takeovers Code, the Vendor would be required to make an unconditional mandatory general offer for all the issued Shares not already owned or agreed to be acquired by it and the Concert Group pursuant to Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted by the Executive.

An application to the Executive for the Whitewash Waiver will therefore be made by the Vendor pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, (i) respective resolutions relating to the Whitewash Waiver and the Acquisition being approved by at least 75% and more than 50%, respectively of the votes cast by the Independent Shareholders at the SGM; and (ii) the Vendor and the Concert Group not having made any acquisitions or disposals of voting rights of the Company between the date of this announcement and completion of the issue of the Consideration Shares unless with the prior consent of the Executive.

As at the date of this announcement, the Vendor confirms that other than (i) the 1,573,284,972 Shares held by it and the Concert Group, (ii) the 120,000,000 outstanding Share options each held by Mr. Chong Tin Lung Benny, Mr. Huang Zuie-Chin and Mr. Ng Siu Wai respectively and the 48,700,000 outstanding Share options held by Mr. Lin Chun Ho Simon, and (iii) the transactions contemplated under the Agreement:

- (a) neither it nor any member of the Concert Group has dealt in any Shares, options, warrants or convertible securities of the Company or any derivatives in respect of such securities in the six months prior to the date of this announcement;
- (b) neither it nor any member of the Concert Group has entered into any outstanding derivative in respect of securities of the Company;
- (c) neither it nor any member of the Concert Group has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of it or any member of the Concert Group (to which is a corporation) or the Company and which might be material to the Acquisition, the transactions contemplated thereunder or the Whitewash Waiver;
- (d) neither it nor any member of the Concert Group has entered into any agreement or arrangement to which it is a party which related to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Acquisition, any transactions contemplated thereunder or the Whitewash Waiver (save as the conditions precedent to the Agreement);
- (e) neither it nor any member of the Concert Group has received any irrevocable commitment from the Independent Shareholders in relation to voting in favour of or against the resolutions in respect of the Acquisition, the transactions contemplated thereunder or the Whitewash Waiver at the upcoming SGM;
- (f) neither it nor any member of the Concert Group has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

- (g) apart from the Consideration Shares, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Company to the Vendor or any member of the Concert Group;
- (h) there is no understanding, arrangement, agreement or special deal between the Vendor or any member of the Concert Group on the one hand, and the Company and its concert parties on the other hand; and
- (i) there has been no other understanding, arrangement, or agreement or special deals (within the meaning of the Takeovers Code) between any Shareholders, and (1) the Vendor and any member of the Concert Group; and (2) the Company, its subsidiaries or associated companies.

The Vendor has further confirmed that as at the date of this announcement, other than entering into of the Agreement, neither it nor any member of the Concert Group has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company within the six months prior to the date of this announcement.

The Vendor, VMS Investment Group Limited, Mr. Chong Tin Lung Benny and Mr. Lin Chun Ho Simon will abstain from voting on the resolutions to be proposed at the SGM to approve the Acquisition, the Specific Mandate and the Whitewash Waiver.

The Executive may or may not grant the Whitewash Waiver. It is one of the conditions precedent to Completion that the Whitewash Waiver has been granted. In the event that the Whitewash Waiver is not granted by the Executive or the Whitewash Waiver and the Acquisition are not approved by the Independent Shareholders, the Agreement will lapse and the Acquisition will not proceed.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE, APPOINTMENT OF THE SOLE SPONSOR AND THE INDEPENDENT FINANCIAL ADVISER

Altus Capital Limited has been appointed as the Sole Sponsor for the deemed new listing application of the Company.

Pursuant to the Listing Rules and the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in connection with the Acquisition, the Specific Mandate and the Whitewash Waiver.

Honestum International Limited, being a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, has been appointed as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders as to the fairness and reasonableness of the terms of the Acquisition, the Specific Mandate and the Whitewash Waiver. The appointment of Honestum International Limited has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders will be included in the Circular (as defined below).

DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further information on the Acquisition, the grant of Specific Mandate and other information as required to be disclosed under the Listing Rules and the Takeover Code; (ii) details of the Whitewash Waiver; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition, the Specific Mandate and the Whitewash Waiver; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the Specific Mandate and the Whitewash Waiver; (v) a notice of the SGM; and (vi) a form of proxy, will be despatched to the Shareholders within 15 business days from the date of this announcement pursuant to Rules 14.60(7) and 14A.68(11) of the Listing Rules or 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is earlier (the “**Circular**”).

The Circular is subject to review and comments by the Stock Exchange and the SFC and will be despatched to the Shareholders as soon as practicable after the Company has obtained the approval in principle from the Listing Committee with respect to the new listing application.

In view of the process required in connection with the new listing application by the Company, the Company expects that more time may be needed for the Stock Exchange to approve the Company's new listing application and for the preparation of the Circular, which is expected to be despatched on or before 30 June 2022. As such, the Company will apply to the Executive pursuant to Rule 8.2 of the Takeovers Code for its consent to extend the time limit for the despatch of the Circular, and the Company will make further announcement on the expected date of despatch of the Circular.

WARNING

Shareholders and potential investors should note that completion of the Acquisition is subject to the fulfillment or waiver (as the case may be) of the conditions under the Agreement. In addition, the Listing Committee of the Stock Exchange may or may not approve the new listing application to be made by the Company. In the event that approval of the new listing application of the Company is not granted, the Agreement will not become unconditional and the Acquisition will not proceed. As the Acquisition may or may not proceed to Completion, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Accounts Date” 31 December 2020;

“Acquisition” the acquisition of the entire issued share capital of the Target Company by the Purchaser from the Vendor pursuant to the terms and conditions of the Agreement;

“Agreement”	the agreement dated 26 November 2021 entered into among the Purchaser and the Vendor in relation to the Acquisition;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of the Company;
“Business Days	a day on which commercial banks are open for business in Hong Kong (excluding Saturdays, Sundays, public holidays and any weekday on which Typhoon Signal No. 8 or higher is hoisted or a black rain storm warning is given in Hong Kong at any time during 9:00 a.m. to 5:00 p.m.);
“Company”	Auto Italia Holdings Limited (意達利控股有限公司*), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 720);
“Completion”	completion of the Acquisition;
“Completion Date”	the date falling on the fifth (5th) Business Day after the fulfilment or waiver (as the case may be) of all conditions precedent set out in the Agreement, or such other time and place as the Parties may agree in writing;
“Concert Group”	parties acting in concert or presumed to be acting in concert with the Vendor under the definition of the “acting in concert” under the Takeovers Code, including VMS Investment Group Limited, Mr. Chong Tin Lung Benny, Mr. Lin Chun Ho Simon, Mr. Huang Zuie-Chin and Mr. Ng Siu Wai;
“connected person”	has the meaning ascribed to it under the Listing Rules;

* *For identification purpose only.*

“Consideration”	the total consideration of HK\$960 million payable by the Company to the Vendor in respect of the Acquisition under the Agreement;
“Consideration Shares”	the aggregate of 6,956,521,739 new Shares to be allotted and issued by the Company to the Vendor to satisfy the Consideration on the Completion Date;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Dividends”	any dividends to be declared, paid or made by the Target Group pursuant to applicable laws, rules, codes and regulations;
“Enlarged Group”	the Group and the Target Group;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of, among other things, the Acquisition, the Specific Mandate and the Whitewash Waiver;

“Independent Financial Adviser”	Honestum International Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition, the Specific Mandate and the Whitewash Waiver;
“Independent Shareholders”	the Shareholders other than the Vendor and the Concert Group;
“Issue Price”	the issue price of HK\$0.138 per Consideration Share;
“Licenses”	the licenses granted by the SFC to the Licensed Corporation to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO;
“Licensed Corporation”	VMS Asset Management Limited, a company incorporated in Hong Kong with limited liability and a corporation granted the Licenses by the SFC;
“Listing Committee”	has the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long-Stop Date”	31 December 2022, or such other date as may be agreed between the Company and the Vendor in writing;
“Ms. Mak”	Ms. Mak Siu Hang Viola, a substantial shareholder and connected person of the Company;
“Operating Companies”	collectively, the Licensed Corporation and other companies which shall become subsidiaries of the Target Company following the Reorganisation;

“Option Scheme”	the Share option scheme of the Company adopted on 28 May 2012;
“Party(ies)”	parties to the Agreement;
“PRC”	the People’s Republic of China;
“Purchaser”	Racing Time Limited, a company incorporated in British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
“Regulatory Approval”	collectively, the Listing Approval and the SFC Approval;
“Reorganisation”	the proposed reorganisation involving the Target Company’s acquisition of the entire issued share capital of each of the Operating Companies from the Vendor, details of which can be found in the sub-paragraph headed “The shareholding structure of the Target Group” in this announcement;
“Sale Share”	1 issued and outstanding share of the Target Company, representing 100% of the issued share capital of the Target Company;
“SFC”	the Securities and Futures Commission;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Acquisition, the Specific Mandate and the Whitewash Waiver;
“Shares”	ordinary shares of HK\$0.02 each in the share capital of the Company;

“Shareholders”	holders of the Shares;
“Sole Sponsor”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the sole sponsor for the deemed new listing application of the Company;
“Specific Mandate”	the specific mandate to be sought at the SGM for the approval of the allotment and issue of the Consideration Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Surviving Provisions”	the provisions relating to (i) definitions and interpretation, (ii) confidentiality, (iii) stamp duty, costs and expenses, assignment, third party rights, remedies, notices and other general matters, (iv) governing law and dispute resolution, and (v) such other provisions of the Agreement which are expressed to have effect after its termination;
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC;
“Target Company”	VMS Auto Italia Fin Services Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Vendor;
“Target Group”	the Target Company and the Operating Companies upon completion of the Reorganisation;
“Transaction Documents”	the Agreement and the documents referred to in it and any other agreements executed or to be executed in connection with the Agreement or transactions contemplated in the Agreement;

“Vendor”	VMS Holdings Limited, a company incorporated in the British Virgin Islands and owned as to 92% by Ms. Mak and 8% by VMS Management Partners Limited as at the date of this announcement;
“Warranties”	the representations and warranties given by the Vendor as set out in the Agreement;
“Whitewash Waiver”	a waiver by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code from the obligation of the Vendor to make a mandatory general offer for all the Shares that are not already owned or agreed to be acquired by it and the Concert Group as a result of the Company allotting and issuing the Consideration Shares to the Vendor on the Completion Date; and
“%”	per cent.

By order of the Board
AUTO ITALIA HOLDINGS LIMITED
CHONG Tin Lung Benny
Executive Chairman and Chief Executive Officer

Hong Kong, 26 November 2021

As at the date of this announcement, the Board comprises Mr CHONG Tin Lung Benny (Executive Chairman and Chief Executive Officer), Mr HUANG Zuie-Chin, Mr NG Siu Wai and Mr LIN Chun Ho Simon, all of whom are executive Directors; and Mr KONG Kai Chuen Frankie, Mr LEE Ben Tiong Leong and Mr TO Chun Wai, all of whom are independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Vendor) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Vendor) 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 statement in this announcement misleading.

As at the date of this announcement, Ms. Mak is the sole director of the Vendor. The sole director of the Vendor accepts full responsibility for the accuracy of the information contained in this announcement relating to the Vendor, and confirm, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed by the Vendor 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.