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**FERRETTIGROUP**

**Ferretti S.p.A.**

*(Incorporated under the laws of Italy as a joint-stock company with limited liability)*

**(Stock Code: 09638)**

**(1) INSIDE INFORMATION ANNOUNCEMENT IN RELATION TO  
THE POTENTIAL DUAL LISTING IN ITALY;  
(2) WAIVERS FROM STRICT COMPLIANCE WITH THE  
LISTING RULES;  
(3) PROPOSED APPOINTMENT OF DIRECTOR**

This announcement is made by Ferretti S.p.A. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

## **(1) THE POTENTIAL DUAL LISTING IN ITALY**

Reference is made to the announcement the Company of dated March 20, 2023 (the “**Announcement**”) providing the Company’s plan to proceed with the Potential Dual Listing. Unless otherwise defined in this announcement, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Company has been working proactively on the Potential Dual Listing. The Board has resolved to convene a Shareholders’ meeting to be held on May 18, 2023 to resolve upon, among other things, the approval of the application for the Potential Dual Listing and amendments to the Existing By-laws.

A circular containing, among other things, particulars relating to the Potential Dual Listing, the Dematerialization and amendments to the Existing By-laws will be despatched to the Shareholders today.

## **(2) WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES**

In preparation for the Potential Dual Listing, the Company has applied for, and the Stock Exchange has granted (conditional upon the listing of the Shares on the Euronext Milan) waiver from strict compliance with certain provisions of the Listing Rules, details of which are set out hereinbelow:-

### **1. Waiver from strict compliance with Rule 2.07C(4)(a)-Company be permitted to publish inside information announcements during Hong Kong trading hours**

#### **(i) Listing Rules requirement**

Rule 2.07C(4)(a) of the Listing Rules provides that, in general and subject to certain exceptions, announcements and notices must not be published on the Stock Exchange’s website between 8:30 a.m. and 12:00 noon and between 12:30 p.m. and 4:30 p.m. on a normal business day in Hong Kong.

#### **(ii) Reasons for the waiver**

Upon completion of the Potential Dual Listing, the Company’s securities will be traded on two stock exchanges in two different time zones and the Company would also be required to comply with the relevant rules and regulations for a company listed on the Euronext Milan (collectively, the “**Overseas Rules**”).

Pursuant to the Overseas Rules, a public announcement of an Italian PSI (as defined below), is required to be made as soon as possible regardless of whether such announcement is made during Euronext Milan's normal trading hours, and the publication window in Italy is open continuously without any interruption period. No suspension of the trading of the Company's securities would generally be imposed by Borsa Italiana S.p.A ("**Borsa Italiana**") for publication of such announcement. In case of publication of an Italian PSI during trading hours, the Company is required to provide prior notice to Borsa Italiana. Where there is any delay in the publication of Italian PSI, it would constitute a breach of the Overseas Rules and the Company could be subject to administrative pecuniary sanctions or administrative measures, depending on the severity of the matters.

The definition of price sensitive information in Italy ("**Italian PSI**") is based on three main elements: (i) accuracy, (ii) non-publicity, and (iii) the ability to sensitively affect the price of financial instruments to which it directly or indirectly relates, and they should, in general, also constitute inside information under part XVIA of the Securities and Futures Ordinance (Cap.571) (collectively, "**Inside Information**"). Announcements of Italian PSI are disseminated generally through a system for the (electronic) dissemination of regulated information (the "**SDIR**") authorised by the Commissione Nazionale per le Società e la Borsa ("**Consob**"), which is the Italian supervisory authority for financial markets in Italy.

Upon completion of the Potential Dual Listing, the Company will be required to announce and disclose Inside Information in accordance with the Overseas Rules during anytime of the day.

The Company has applied for, and the Stock Exchange has granted (conditional on the listing of the Shares on Euronext Milan), a waiver from strict compliance with Rule 2.07C(4)(a) of the Listing Rules, such that the Company would be permitted to submit to the Stock Exchange and publish any announcement of Inside Information which it is required to make under the Overseas Rules between 8:30 a.m. and 4:30 p.m. on a normal business day in Hong Kong simultaneously with the submission to SDIR of the same announcement pursuant to the Overseas Rules, without any suspension of dealings or trading halt in the Company's securities in Hong Kong.

The Company satisfies the conditions set out in the notes to Rule 2.07C(4)(a) of the Listing Rules, in particular:

- (a) There will be a minimal overlap between Hong Kong market trading hours and that of on the Euronext Milan where the Company's Shares will be traded. Currently, there is only an overlap trading time of one hour between both markets during Central European Summer Time and there is no overlap during Central European Time;
- (b) The announcement shall be in relation to **Inside Information/price sensitive information and the Company is, for reasons not within its control**, under the Italian legal and regulatory requirement to publish such announcement within the period prohibited under rule 2.07C(4)(a);
- (c) The Company shall notify the Stock Exchange of a pending announcement and the expected time of release (both English and Chinese versions) at least ten minutes before the release of such announcement; and
- (d) The Company shall promptly inform the Stock Exchange of any material change to the Italian legal and regulatory requirement on disclosure of Inside Information or price sensitive information.

In light of the aforementioned measures to be taken by the Company, the Company considers a waiver from strict compliance with Rule 2.07C(4)(a) will not result in any undue risks to the Shareholders.

**Shareholders and investors are reminded to exercise caution when dealing in the Shares and to observe whether any Inside Information announcements have been published during trading hours in Hong Kong upon completion of the Potential Dual Listing.**

- (2) **Waivers from strict compliance with (i) Rule 13.58 — certification of transfers against certificates; (ii) Rule 13.59 — provision of securities registration and certificate replacement service; and (iii) Rule 13.60 — issue of certificates, registration and other fees**

*(i) Listing Rules requirement*

Pursuant to Rule 13.58 of the Listing Rules, an issuer is required to certify transfers against certificates or temporary documents, split renounceable documents and return those documents within a certain time frame.

Pursuant to Rule 13.59 of the Listing Rules, an issuer (or its registrar) must provide securities registration services in accordance with Rule 13.60(1) of the Listing Rules. An issuer (or its registrar) must also provide bulk registration services in accordance with Rule 13.60(4) and a certificate replacement service in accordance with Rule 13.60(5) of the Listing Rules. Subject to Rule 13.59(2), the issuer shall ensure that where the issuer (or its registrar) charges a fee for registering transfers or cancelling, splitting, consolidating or issuing definitive certificates relating to the issuer's listed securities, such fee must not exceed, in total, the applicable amounts prescribed in Rule 13.60 of the Listing Rules. It is also the responsibility of an issuer whose registrar is in breach of the provision of Rules 13.58–13.61 to report such breach to the Stock Exchange as soon as it becomes aware of such breach. Moreover, an issuer shall not, and shall use all reasonable endeavours to ensure that neither its registrar nor other agents will charge holders or transferees any other fees for any dealings with them in connection with the transfer or transmission of its listed securities.

Pursuant to Rule 13.60 of the Listing Rules, an issuer must provide the services set out in Rule 13.59 of the Listing Rules in accordance with the timing and prescribed fees under the rule. Where an issuer's registrar provides the services pursuant to Rule 13.59 to 13.60, it shall not relieve the issuer of any obligation in respect of any acts or omissions of its registrar.

*(ii) Reasons for the waiver*

Upon completion of the Potential Dual Listing, all of the Shares will be “dematerialized” and be in scripless form and paper certificates will no longer be applicable. Under the Italian system, upon dematerializing the Shares, all of the Shares will be centralized and registered in a book-entry form in the accounts of various intermediaries (usually commercial banks or stockbrokers holding an account with Monte Titoli S.p.A. (the Italian central securities depository), the “**Italian Intermediaries**” and each an “**Italian Intermediary**”) through which Shareholders will hold dematerialized Shares. Shareholders' legal ownership of Shares will be represented by an electronic book-entry in the securities account opened by such Shareholder with the Italian Intermediary. Monte Titoli S.p.A. will hold a central register recording the entries of the Italian Intermediaries. While the central register will only display the names of the Italian Intermediaries, the Italian Intermediaries will record the shareholding on behalf of the respective Shareholders.

In contemplation of the Potential Dual Listing, Shareholders who are currently holding paper share certificates (the “**Certificated Shareholder(s)**”) and intend to trade their shares in Hong Kong upon completion of the Potential Dual Listing must open a stock account with a broker or custodian who maintains a CCASS participant account and deposit the share certificates held by him/her/it to the stock account for such Shares to be dematerialized. Conversely, if such Certificated Shareholder wishes to trade his/her/its Shares on the Euronext Milan, such Certificated Shareholder must first open an account with an Italian Intermediary. The Certificated Shareholders shall then send the share certificates, along with an election form setting out details of the Italian Intermediary account to Computershare Hong Kong and confirm his/her/its instruction to move the Shares to such account on the date of the listing of the Shares on Euronext Milan.

For Shareholders who currently have their Shares deposited in their designated CCASS participant’s account and are trading the Shares on the Stock Exchange, no action is required to be taken by such Shareholder if he/she/it wishes to continue to trade their Shares on the Stock Exchange upon completion of the Potential Dual Listing. Further details in relation to the actions to be taken by Shareholders in respect of the Potential Dual Listing will be disclosed in a circular to be despatched to Shareholders today.

Accordingly, the Company will no longer be able to comply with the certification of share transfers and securities registration services pursuant to Rules 13.58 and 13.59 of the Listing Rules and the consequential fee and timing requirements under Rule 13.60 of the Listing Rules. For Shares that are currently admitted or to be admitted into CCASS, transfer is conducted whereby the CCASS participants will settle the transfer of book-entry interests on behalf of the Shareholders. For Shares to be held by an Italian Intermediary, transfer of Shares will be handled amongst the Italian Intermediaries of the transferor and the transferee, and a Shareholder’s title to the Shares will be evidenced by an electronic book-entry in the securities account opened by such Shareholder with the Italian Intermediary (as opposed to the issuance of a share certificate upon completion of the share transfer). A Shareholder’s position will be recorded and updated immediately with their respective CCASS participant or Italian Intermediary upon completion of the share transfer. Save for the fees agreed with the CCASS participants or the Italian Intermediaries upon the opening of the securities account, no additional fees will be incurred by Shareholders as a result of the transfer.

Similarly, the above requirement and procedure shall apply to temporary documents of title. Upon completion of the Potential Dual Listing, any corporate actions (e.g. rights issue, share consolidation, etc) will be conducted electronically via Monte Titoli S.p.A., all rights/shares in respect of the corporate actions will be credited instantly to, and reflected in a CCASS participant or an Italian Intermediary’s corresponding book-entry accounts and securities account upon the date of execution (e.g. on record date, payment date, etc.) pursuant to the timetable for such corporate action.

As a result of the Italian legal requirement which requires Shares to be dematerialized and be in scripless form upon completion of the Potential Dual Listing, it is impracticable for the Company to comply with the requirements set out under Rules 13.58 to 13.60 of the Listing Rules. Accordingly, the Company has applied for, and the Stock Exchange has granted (conditional on the listing of the Shares on Euronext Milan), a waiver from strict compliance with Rules 13.58 to 13.60 of the Listing Rules, such that the Company shall notify the Stock Exchange immediately when it is aware of any changes of the mechanism under the Potential Dual Listing which will enables the Company to comply with Rules 13.58 to 13.60 of the Listing Rules.

Considering that (i) the transfer of the Shares will be handled by CCASS participants or Italian Intermediaries and a Shareholder's position will be recorded and updated immediately with their respective CCASS participant or Italian Intermediary upon completion of a share transfer; (ii) Shareholders can check their positions with his/her/its CCASS participant or Italian Intermediary from time to time; (iii) the electronic book-entry system ensures sufficient recording and recognition of ownership; (iv) no separate fees are required to be borne by the Shareholders for the book-entry fees save for the account opening and maintenance fees chargeable by CCASS participants or the Italian Intermediaries; and that (v) the Company will be responsible for its or the acts of its registrar if there are changes to the mechanism under the Potential Dual Listing enabling compliance with Rules 13.58 to 13.60 of the Listing Rules, the Company considers that a waiver from strict compliance with Rules 13.58 to 13.60 of the Listing Rules will not result in any undue risks to the Shareholders.

**(3) Waiver in relation to the appointment of auditor at each annual general meeting**

**(i) *Listing Rules requirement***

Rule 13.88 of the Listing Rules provides that the issuer must at each annual general meeting appoint an auditor to hold office from the conclusion of that meeting until the next annual general meeting. The issuer must not remove its auditor before the end of the auditor's term of office without first obtaining shareholders' approval at a general meeting. An issuer must send a circular proposing the removal of the auditor to shareholders with any written representations from the auditor, not less than 10 business days before the general meeting. An issuer must allow the auditor to attend the general meeting and make written and/or verbal representations to shareholders at the general meeting.

Paragraph 17 of Appendix 3 to the Listing Rules requires that the appointment, removal and remuneration of auditors must be approved by a majority of the issuer's members or other body that is independent of the board of directors.

**(ii) Requirement under Italian law**

Article 13(2) of Legislative Decree 39/2010 provides that “*Except as provided in article 17, paragraph 1, of this decree, the engagement of the auditor shall have a term of three years and expire at the shareholders’ meeting called to approve the financial statements for the third year of the engagement*”. The Company had previously obtained a waiver from strict compliance with Rule 13.88 of the Listing Rules upon reliance of article 13(2) of the Legislative Decree 39/2010.

Immediately following the Potential Dual Listing, the Company will become a “public interest entity” (as defined under article 16 of the Legislative Decree 39/2010), and shall be required to appoint external auditors for a 9-year term pursuant to article 17(1) of the Legislative Decree 39/2010 — “*A statutory audit engagement shall have a duration of nine years for auditing companies (i.e. corporate auditors) and seven years for statutory auditors<sup>1</sup>. It may not be renewed or re-assigned until at least four years have elapsed from the date of termination of the previous engagement*”.

**(iii) Reasons for the waiver**

As advised by the Company’s Italian legal advisers, the legislative intent of article 17(1) of the Legislative Decree 39/2010 is similar to article 13(2) of the Legislative Decree 39/2010, which is to preserve the independence of the external auditors. By confirming a nine-year engagement (unless being removed pursuant to a just cause), the incumbent external auditor will be subject to tighter supervision by Consob, and the security of tenure will give them more certainty in their appointment when compared to an engagement renewable on an annual basis, which consequentially minimizes the likelihood of the external auditor being influenced by the management/shareholders of a company when carrying out its auditing functions.

In the event the performance of the external auditors falls under any circumstances of “just cause” for revocation of the auditor’s engagement, the Board may decide, at its discretion, whether the presence of an event of just cause is of such significance that the proposal to revoke the auditor’s mandate be submitted to the shareholders’ meeting. If the Board decides there is just cause, the resolution for the removal of the external auditor will be subject to a proposal by the Board to the shareholders’ meeting since the Board is the body that maintains on-going communication with the auditor, is responsible for the Company’s financial reporting process and is in the best position to determine whether recommendation should be made for the removal of the external auditor for just cause. However, in the event of inaction by the Board, this may be considered as a breach of fiduciary duties by the directors in the performance of their duties and obligations, and subject to consequential legal consequences.



Ultimately, pursuant to the Company's by-laws, any Shareholder representing at least 5% of the share capital could also request to call for a Shareholders' meeting to consider a proposal of revocation of external auditors' appointment. Moreover, the board of statutory auditors or Consob shall also have the right to bring an action before Italian courts for the revocation of the external auditor where just cause exists.

Accordingly, the Company has applied for, and the Stock Exchange has granted (conditional on the listing of the Shares on Euronext Milan), a waiver from strict compliance with Rule 13.88 of the Listing Rules, such that the Company will not be required to appoint an auditor on an annual basis and that an external auditor must be appointed every nine years and be approved by the majority of Shareholders at a general meeting. The Company considers that this will not result in any undue risks to the Shareholders for the reasons set out hereinabove, such that there are various means to remove the external auditor. For instance, the Board is under a fiduciary duty to propose to revoke the external auditor's mandate for just cause, and Shareholders (representing 5% of the share capital) have the ultimate right to appoint and remove the external auditors pursuant to paragraph 17 of Appendix 3 to the Listing Rules. Moreover, the board of statutory auditors or Consob also have the right to bring an action before Italian courts for such revocation where just cause exists. Lastly, save for the requirement to appoint the auditor on an annual basis, the remaining provisions under Rule 13.88 of the Listing Rules shall continue to be observed.

### **(3) PROPOSED APPOINTMENT OF DIRECTOR**

Reference is made to the Company's prospectus dated March 22, 2022, whereby it was stated that the Company "will appoint at least one female Director before the effective date of the relevant applicable Listing Rules changes (i.e. December 31, 2024) or within one year from the Listing Date, whichever is earlier." The Company has been identifying suitable candidates since the Company was listed on the Stock Exchange. However, the time used to identify a suitable candidate who had the appropriate qualifications and expertise and would bring synergy to the Board took longer than expected. Hence, the Company has applied for, and the Stock Exchange has granted, an extension for the Company to appoint a female director no later than June 30, 2023.

The Board hereby announces that it has proposed to appoint Ms. Lanshi Jiang as a non-executive Director (the "**Proposed Appointment**"). The Proposed Appointment will be submitted to Shareholders for review and approval by way of ordinary resolution at the annual general meeting of the Company to be held on May 18, 2023 (the "**AGM**").

The biographical details of Ms. Jiang are set out below:

Ms. Lanshi Jiang, aged 56, has extensive experience in various fields such as company establishment and restructuring, mergers and acquisitions and joint venture negotiation and integration, sales and marketing, strategy and business development, brand development, corporate communications as well as government relations. In particular, Ms. Jiang has extensive experience in the Chinese construction equipment and automobile industry and rich knowledge of general business culture and economic climate in China and Asia markets.

Ms. Jiang was the executive dean of the Design School of Shanghai Institute of Visual Arts and the group vice president and executive board director of DeTao Group from 2016 to 2021, the senior advisor to the chairman and European affairs of Shandong Linyi Construction Group from 2014 to 2015, the managing director of KJE International Holding Ltd. from 2014 to 2015 and the senior vice president of sales and marketing of Dooran Infracore China Co., Ltd. from 2012 to 2013. In addition, Ms. Jiang has served various management roles in Volvo Group China and Volvo Construction Equipment, including the chief representative of Volvo Construction Equipment Shanghai Representative Office from 1999 to 2002, the director of marketing communications and brand management of Volvo Construction Equipment Region Asia from 2002 to 2005, the vice president of corporate communications and brand of Volvo Group China from 2005 to 2012 and the chairman of Volvo Construction Equipment (China) Co., Ltd. from 2010 to 2012.

Ms. Jiang obtained her EMBA at Oxford University in 2015 and a bachelor's degree in education from Beijing Normal University in 1989.

Save as disclosed above, as at the date of this announcement, Ms. Jiang (i) has not held any directorship in any other listed companies in the past three years; (ii) does not have any relationship with any other Directors, senior management, substantial shareholders or Controlling Shareholders of the Company; and (iii) does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong.

Save as disclosed above, as at the date of this announcement, there is no information on Ms. Jiang that needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders.

The notice and circular of AGM containing, among other things, the details of the Proposed Appointment will be despatched to the Shareholders today.

**The Potential Dual Listing is subject to, among other things, the obtaining of approval(s) from the Shareholders and the relevant authorities. Shareholders and potential investors of the Company should be aware that there is no assurance that the Potential Dual Listing will take place or as to when it may take place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in or investing in the securities of the Company.**

By order of the Board

**Ferretti S.p.A.**

**Mr. Alberto Galassi**

*Executive Director and Chief Executive Officer*

Hong Kong, April 26, 2023

*As at the date of this announcement, the Board comprises Mr. Alberto Galassi as executive director; Mr. Tan Xuguang, Mr. Piero Ferrari, Mr. Xu Xinyu and Mr. Li Xinghao as non-executive directors; and Mr. Hua Fengmao, Mr. Stefano Domenicali and Mr. Patrick Sun as independent non-executive directors.*