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AUTO ITALIA

AUTO ITALIA HOLDINGS LIMITED
意達利控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

COMPLETION OF
(1) PLACING OF NEW SHARES UNDER GENERAL MANDATE; AND
(2) ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

Financial Adviser to the Company

MERDEKA 領智

Placing Agent

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that all the conditions under the Placing Agreement have been satisfied and that the completion of the Placing took place on 26 February 2026.

A total of 50,000,000 Placing Shares have been successfully placed by the Placing Agent to no less than six Placees at the Placing Price of HK$0.30 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The net price for the Placing (after deduction of the commissions and fees payable in connection with Placing) is estimated to be approximately HK$0.287 per Placing Share.

COMPLETION OF ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

The Board is also pleased to announce that all the conditions precedent under the Subscription Agreement have been fulfilled and the issue of the Convertible Bonds in an aggregate principal amount of HK$98,000,000 was completed on 26 February 2026.

In accordance to the terms and conditions as set out in the Subscription Agreement, the Convertible Bonds are convertible into Shares at an initial Conversion Price of HK$0.34 per Share (subject to adjustments), and assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK$0.34 per Share, the Convertible Bonds will be convertible into 288,235,294 Shares.

Reference is made to the announcement of Auto Italia Holdings Limited (the "**Company**") dated 13 February 2026 (the "**Announcement**") in relation to, among others, the Placing and the Subscription. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that all the conditions set out in the Placing Agreement have been fulfilled and the completion of the Placing took place on 26 February 2026. A total of 50,000,000 Placing Shares have been successfully placed by the Placing Agent to no less than six Placees at the Placing Price of HK$0.30 per Placing Share pursuant to the terms and conditions of the Placing Agreement. The net price for the Placing (after deduction of the commissions and fees payable in connection with Placing) is estimated to be approximately HK$0.287 per Placing Share.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Placees are professional, institutional or other investors whose ultimate beneficial owners are third parties independent of, and not connected with or acting in concert with, the Company, its connected persons (as defined under the Listing Rules) and their respective associates (as defined under the Listing Rules). None of the Placees has become a substantial shareholder of the Company as a result of the Placing.

COMPLETION OF ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

The Board is also pleased to announce that all the conditions precedent under the Subscription Agreement have been fulfilled and the issue of the Convertible Bonds in an aggregate principal amount of HK$98,000,000 was completed on 26 February 2026.

In accordance to the terms and conditions as set out in the Subscription Agreement, the Convertible Bonds are convertible into Shares at an initial Conversion Price of HK$0.34 per Share (subject to adjustments), and assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK$0.34 per Share, the Convertible Bonds will be convertible into 288,235,294 Shares.

LISTING

The Company has obtained the approval for the listing of, and permission to deal in, the Placing Shares and the Conversion Shares on the Stock Exchange.

EQUITY FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS PERIOD

The Company had not conducted any equity fund raising during the 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE AS A RESULT OF (I) THE PLACING; AND (II) THE CONVERSION OF THE CONVERTIBLE BONDS

As at the date of this announcement and immediately before Placing Completion and Subscription Completion, the Company has 6,092,515,390 Shares in issue.

Set out below is a table illustrating the shareholding structure of the Company (i) as at the date of this announcement and immediately before Placing Completion and Subscription Completion; (ii) immediately upon the allotment and issue of the Placing Shares but before conversion of the Convertible Bonds; (iii) after issue and allotment of the Conversion Shares upon full exercise of the conversion rights attaching to the Convertible Bonds at the initial Conversion Price but before the allotment and issue of the Placing Shares; and (iv) after the allotment and issue of the Placing Shares and the Conversion Shares upon full exercise of the conversion rights attaching to the Convertible Bonds at the initial Conversion Price.

Shareholder	As at the date of this announcement and immediately before Placing Completion and Subscription Completion		Immediately upon the allotment and issue of the Placing Shares but before the conversion of the Convertible Bonds		Immediately upon the full conversion of the Convertible Bonds but before the allotment and issue of the Placing Shares		Immediately after the allotment and issue of the Placing Shares and the Conversion Shares	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Mr. Chong *(Note 1)*	1,570,907,472	25.78	1,570,907,472	25.58	1,570,907,472	24.62	1,570,907,472	24.43
Mr. Lin Chun Ho Simon *(Note 2)*	2,377,500	0.04	2,377,500	0.04	2,377,500	0.04	2,377,500	0.04
Mr. Li Shaofeng *(Note 3)*	209,000,000	3.43	209,000,000	3.40	209,000,000	3.27	209,000,000	3.25
Power Sky Investments Limited *(Note 4)*	350,000,000	5.75	350,000,000	5.70	350,000,000	5.48	350,000,000	5.44
The Placees	–	–	50,000,000	0.81	–	–	50,000,000	0.78
The Subscriber	–	–	–	–	288,235,294	4.52	288,235,294	4.48
Other public Shareholders	3,960,230,418	65.00	3,960,230,418	64.47	3,960,230,418	62.07	3,960,230,418	61.58
Total	**6,092,515,390**	**100.00**	**6,142,515,390**	**100.00**	**6,380,750,684**	**100.00**	**6,430,750,684**	**100.00**

Notes:

1. *Mr. Chong is the executive chairman, chief executive officer and an executive Director of the Company. Mr. Chong, (i) wholly-owns VMS Investment Group Limited ("**VMSIG**"), which directly owns 1,214,291,472 Shares and indirectly through Gustavo International Limited (a company wholly-owned by Maini Investments Limited which is in turn wholly-owned by VMSIG) owns 304,725,000 Shares; and (ii) is personally interested in 51,891,000 Shares, in aggregate interested in 1,570,907,472 Shares, representing approximately 25.78% of the issued share capital of the Company.*

   *On 22 January 2026, VMSIG, Maini Investments Limited and Gustavo International Limited entered into a sale and purchase agreement with B-ON Global S.àr.l. (the "**Potential Purchaser**") which the Potential Purchaser shall acquire interest in 1,300,000,000 Shares (the "**Potential Share Transfer**"). Upon completion of the Potential Share Transfer, Mr. Chong and VMSIG will be interested in 4.45% of the issued capital of the Company and the Potential Purchaser will be interested in 21.34% of the issued share capital of the Company. As at the date of this announcement, the Potential Share Transfer has not been completed.*

2. *Mr. Lin Chun Ho Simon is an executive Director of the Company and personally interested in 2,377,500 Shares.*

3. *Mr. Li Shaofeng is an executive Director of the Company and personally interested in 209,000,000 Shares.*

4. *Mr. XU Weidong wholly-owned Power Sky Investments Limited, which directly owns approximately 5.75% of the issued share capital of the Company. Therefore, Mr. Xu Weidong is also deemed to be interested in such 5.75% of the issued share capital of the Company.*

REASONS FOR AND BENEFITS OF THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

The Company is a public limited company incorporated in Bermuda, the Shares of which are listed on the Stock Exchange. The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in (i) sale and export of electric vehicles and car trading; (ii) property investment; and (iii) the provision of financing services.

As disclosed in the interim report of the Company for the six months ended 30 June 2025 ("**Interim Report 2025**"), as at 30 June 2025, the Group had bank and other borrowings, loan from a non-controlling member of a subsidiary, loan from a related party, loan from a shareholder and promissory notes totaling HK$527.0 million, of which HK$234.5 million were repayable more than one year. The Group's debt to equity ratio for the period ended 30 June 2025 stood at 173.9% based on the total of bank and other borrowings, loan from a non-controlling member of a subsidiary, loan from a related party, loan from a shareholder and promissory notes totaling HK$527.0 million and total equity of HK$303.0 million.

The Indebted Amount amounted to approximately HK$98,000,000, comprising (i) a loan in the outstanding principal amount of approximately HK$55,099,592 as at 13 February 2026, together with interests in the amount of HK$8,695,000 accrued thereon, bearing interest at 9% per annum and maturing in April 2028; and (ii) a promissory note in the outstanding principal amount of approximately HK$27,500,000 as at 13 February 2026, together with interests in the amount of HK$6,705,408 accrued thereon, bearing interest at 8% per annum and maturing in March 2028. Given the debt-to-equity ratio of the Group and the ongoing capital requirements of its principal business, the Board has been actively exploring various options to optimise the Group's capital structure and reduce its overall debt level. In this regard, the Directors are of the view that the proposed set-off arrangement under the Subscription represents an effective debt management solution, as it will enable the Company to defer annual interest payments. Further, subject to the future performance of the Share price, the Subscriber may elect to fully convert the Convertible Bonds, pursuant to which the Indebted Amount would be settled through equity conversion without any cash outflow or immediate financial burden on the Group. Accordingly, the arrangement is expected to alleviate the Group's repayment obligations and enhance its overall liquidity position.

In addition, the Directors are of the view that the additional capital inflow generated from the Placing will provide enhanced financial flexibility to the Group by strengthening the capital base of the Company, thereby improving the Group's overall working capital position to support and fulfil its business development plans.

The Board has considered other alternative fund-raising methods such as debt financing, rights issue or open offer. The Board considered that debt financing may incur further interest burden on the Group and may be subject to lengthy due diligence and negotiations with the banks with reference to the Group's financial position and the then financial market condition and it may be relatively uncertain and time-consuming. On the other hand, rights issue or open offer may also involve relatively substantial time and cost to complete as compared to the equity financing through issue of the new Shares under General Mandate.

USE OF PROCEEDS

The aggregate gross proceeds from Placing are approximately HK$15.00 million and the net proceeds from the Placing (after deduction of the commission and fees payable in connection to the Placing) are approximately HK$14.36 million, which will be utilized as to (i) approximately HK$7.18 million for the expansion of the Group's electric vehicle business, including but not limited to research and development and marketing expenses and capital expenditure for production facilities; and (ii) approximately HK$7.18 million for the Group's general working capital purposes, including, among others, staff and directors' remuneration, legal and professional fees incurred in the daily operations, and other administrative and operating expenses. No gross proceeds were raised from the Subscription and the Subscription Price of HK$98,000,000 was paid by the Subscriber to the Company by way of offsetting the Indebted Amount on a dollar-for-dollar basis.

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

Hong Kong, 26 February 2026

As at the date of this announcement, the Board comprises Mr. CHONG Tin Lung Benny (Executive Chairman and Chief Executive Officer), Mr. LI Shaofeng and Mr. LIN Chun Ho Simon and Mr. ZHANG Kun as executive Directors; Ms. HANG Qingli as a non-executive Director; and Mr. KONG Kai Chuen Frankie, Mr. TO Chun Wai and Dr. SHAM Chung Ping Alain as independent non-executive Directors.

* *For identification purposes only*