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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)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Board of AUTO ITALIA HOLDINGS LIMITED (the “Company”) announces that the audited consolidated results of the Company and its subsidiaries (together, the “Group”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

| | NOTES | Continuing operations | | Discontinued operation | | Total | |
|---------------------------------|-------|-----------------------|------------------|------------------------|------------------|------------------|------------------|
| | | 2025 HK\$'000 | 2024 HK\$'000 | 2025 HK\$'000 | 2024 HK\$'000 | 2025 HK\$'000 | 2024 HK\$'000 |
| Revenue from goods and services | 3 | 68,133 | 1,172 | 308 | 3,510 | 68,441 | 4,682 |
| Rental income | 3 | 28,000 | 26,640 | – | – | 28,000 | 26,640 |
| Total revenue | | 96,133 | 27,812 | 308 | 3,510 | 96,441 | 31,322 |
| Cost of sales and services | | (68,760) | (7,975) | (1,046) | (2,852) | (69,806) | (10,827) |
| Gross profit (loss) | | 27,373 | 19,837 | (738) | 658 | 26,635 | 20,495 |
| Other income | | 6,610 | 684 | – | 248 | 6,610 | 932 |
| Other gains and losses | 5 | (47,717) | (55,395) | – | (28) | (47,717) | (55,423) |
| Selling and distribution costs | | (5,233) | (446) | (252) | (1,614) | (5,485) | (2,060) |
| Administrative expenses | | (33,383) | (22,603) | (3,438) | (5,191) | (36,821) | (27,794) |
| Finance costs | 6 | (42,644) | (33,715) | – | (66) | (42,644) | (33,781) |
| Loss before taxation | | (94,994) | (91,638) | (4,428) | (5,993) | (99,422) | (97,631) |
| Taxation | 7 | 3,375 | 625 | – | – | 3,375 | 625 |
| Loss for the year | 8 | <u>(91,619)</u> | <u>(91,013)</u> | <u>(4,428)</u> | <u>(5,993)</u> | <u>(96,047)</u> | <u>(97,006)</u> |

* For identification purpose only

| | | Total | |
|--|--------------|----------------------|----------------------|
| | | 2025 | 2024 |
| | <i>NOTES</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Loss for the year attributable to owners of the Company: | | | |
| – from continuing operations | | (94,728) | (96,143) |
| – from discontinued operation | | (4,428) | (5,993) |
| | | <u>(99,156)</u> | <u>(102,136)</u> |
| Profit for the year attributable to non-controlling interests: | | | |
| – from continuing operations | | 3,109 | 5,130 |
| | | <u>3,109</u> | <u>5,130</u> |
| Loss for the year | | (96,047) | (97,006) |
| | | <u>(96,047)</u> | <u>(97,006)</u> |
| Loss per share (from continuing and discontinued operations) | | | |
| – Basic | <i>10</i> | (HK1.87 cent) | (HK1.93 cent) |
| – Diluted | <i>10</i> | (HK1.87 cent) | (HK1.93 cent) |
| | | <u>(HK1.87 cent)</u> | <u>(HK1.93 cent)</u> |
| Loss per share (from continuing operations) | | | |
| – Basic | <i>10</i> | (HK1.79 cent) | (HK1.82 cent) |
| – Diluted | <i>10</i> | (HK1.79 cent) | (HK1.82 cent) |
| | | <u>(HK1.79 cent)</u> | <u>(HK1.82 cent)</u> |

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the year ended 31 December 2025

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|--------------------------------|-------------------------|
| Loss for the year | <u>(96,047)</u> | <u>(97,006)</u> |
| Other comprehensive income (expense) for the year | | |
| <i>Item that may be subsequently reclassified to profit or loss:</i> | | |
| Exchange differences arising on translation of foreign operations | <u>17,480</u> | <u>(2,763)</u> |
| Total comprehensive expense for the year | <u><u>(78,567)</u></u> | <u><u>(99,769)</u></u> |
| Total comprehensive (expense) income for the year attributable to: | | |
| Owners of the Company | <u>(86,567)</u> | <u>(107,011)</u> |
| Non-controlling interests | <u>8,000</u> | <u>7,242</u> |
| | <u><u>(78,567)</u></u> | <u><u>(99,769)</u></u> |
| Total comprehensive expense for the year attributable to owners of the Company: | | |
| – from continuing operations | <u>(85,438)</u> | <u>(106,867)</u> |
| – from discontinued operation | <u>(1,129)</u> | <u>(144)</u> |
| | <u><u>(86,567)</u></u> | <u><u>(107,011)</u></u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

| | NOTES | 2025 HK\$'000 | 2024 HK\$'000 |
|---|-------|-----------------------|-----------------------|
| Non-current assets | | | |
| Investment properties | 11 | 504,241 | 455,605 |
| Property, plant and equipment | | 8,154 | 5,353 |
| Right-of-use assets | | 2,928 | 4,583 |
| Goodwill | | – | 64,220 |
| Intangible assets | | – | 24,372 |
| Investment of an associate measured at fair value through profit or loss (“FVTPL”) | | – | 40,402 |
| Financial asset at FVTPL | | – | 130,743 |
| Trade and other receivables | 12 | 5,074 | 10,534 |
| | | <u>520,397</u> | <u>735,812</u> |
| Current assets | | | |
| Inventories | | 4,385 | 6,910 |
| Trade and other receivables | 12 | 70,236 | 17,094 |
| Financial asset at FVTPL | | 151,498 | 15,965 |
| Tax recoverable | | – | 10 |
| Pledged bank deposits | | 8,564 | 3,304 |
| Bank balances and cash | | 5,606 | 18,116 |
| | | <u>240,289</u> | <u>61,399</u> |
| Current liabilities | | | |
| Trade and other payables | 13 | 58,136 | 35,161 |
| Tax payable | | 6,376 | – |
| Bank and other borrowings | 14 | 261,299 | 262,480 |
| Loan from a related party | 16 | 11,112 | 10,643 |
| Loan from a non-controlling member of a subsidiary | 15 | 13,373 | 11,377 |
| Lease liabilities | | 2,124 | 2,573 |
| | | <u>352,420</u> | <u>322,234</u> |
| Net current liabilities | | <u>(112,131)</u> | <u>(260,835)</u> |
| Total assets less current liabilities | | <u><u>408,266</u></u> | <u><u>474,977</u></u> |

| | | 2025 | 2024 |
|---|--------------|-----------------|-----------------|
| | <i>NOTES</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Capital and reserves | | | |
| Share capital | | 121,850 | 121,850 |
| Reserves | | 4,170 | 90,737 |
| | | <hr/> | <hr/> |
| Equity attributable to owners of the Company | | 126,020 | 212,587 |
| Non-controlling interests | | 62,926 | 54,926 |
| | | <hr/> | <hr/> |
| Total equity | | 188,946 | 267,513 |
| | | <hr/> | <hr/> |
| Non-current liabilities | | | |
| Other borrowings | <i>14</i> | 97,393 | 119,374 |
| Loan from a shareholder | <i>16</i> | 33,279 | – |
| Promissory notes | <i>17</i> | 86,187 | 77,740 |
| Deferred taxation | | 1,058 | 7,271 |
| Lease liabilities | | 1,403 | 3,079 |
| | | <hr/> | <hr/> |
| | | 219,320 | 207,464 |
| | | <hr/> | <hr/> |
| | | 408,266 | 474,977 |
| | | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

The Company is a public limited company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the trading of cars and related accessories and provision of after sales services in the People’s Republic of China (“**PRC**”), research and development and sales of electric vehicles and related accessories to the European market, property investment and provision of financing. The address of registered office and principal place of business of the Company are disclosed under section “Corporate Information” of this Report.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

| | |
|-----------------------|-------------------------|
| Amendments to HKAS 21 | Lack of Exchangeability |
|-----------------------|-------------------------|

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE

Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

| | Continuing operations | | Discontinued operation | | Total | |
|--|-----------------------|----------|------------------------|----------|---------------|----------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| Trading of cars and related accessories | 67,999 | 1,172 | – | 2,344 | 67,999 | 3,516 |
| Provision of after sales services | 134 | – | 308 | 1,166 | 442 | 1,166 |
| Revenue from contracts with customers | 68,133 | 1,172 | 308 | 3,510 | 68,441 | 4,682 |
| Rental income | 28,000 | 26,640 | – | – | 28,000 | 26,640 |
| Total revenue | 96,133 | 27,812 | 308 | 3,510 | 96,441 | 31,322 |

4. SEGMENT INFORMATION

Information reported to the chief operating decision maker (“CODM”), being the executive Directors, for the purposes of resource allocation and assessment of segment performance, focuses on the types of goods or services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

An operating segment regarding the car business was discontinued during the year 31 December 2025. The segment revenue and results reported on the next pages does not include any amounts for this discontinued operation, which is described in more details on note 9.

As at 31 December 2025, the Group has three operating segments under HKFRS 8 “Operating Segments” which are as follows:

- (i) Cars – Trading of cars and related accessories and provision of after sales services, research and development and sales of electric vehicles and related accessories;
- (ii) Property investment; and
- (iii) Financial investments and services – Investments in securities and provision for financing and corporate finance services.

Segment profit/(loss) represents the profit/loss earned by each segment without fair value change on investment of an associate measured at FVTPL, fair value gain on other financial assets measured at FVTPL, certain unallocated corporate expenses and finance costs. This is the measure reported to CODM for the purpose of resource allocation and assessment of segment performance. The accounting policies of this segment are the same as the Group’s accounting policies.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the year ended 31 December 2025

Continuing operations

| | Cars <i>HK\$'000</i> | Property investment <i>HK\$'000</i> | Financial investments and services <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|--|-------------------------|---|---|---------------------------------|
| SEGMENT REVENUE | | | | |
| Group's revenue | <u>68,133</u> | <u>28,000</u> | <u>–</u> | <u>96,133</u> |
| SEGMENT RESULTS | | | | |
| Segment (loss) profit | <u>(85,128)</u> | <u>31,382</u> | <u>(360)</u> | <u>(54,106)</u> |
| Fair value gain on investment of an associate measured at FVTPL | | | | 1,659 |
| Fair value gain on financial assets measured at FVTPL | | | | 9,328 |
| Unallocated corporate expenses | | | | (9,231) |
| Finance costs | | | | <u>(42,644)</u> |
| Loss before taxation | | | | <u>(94,994)</u> |

For the year ended 31 December 2024

Continuing operations

| | Cars <i>HK\$'000</i> | Property investment <i>HK\$'000</i> | Financial investments and services <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|--|-------------------------|---|---|---------------------------------|
| SEGMENT REVENUE | | | | |
| Group's revenue | <u>1,172</u> | <u>26,640</u> | <u>–</u> | <u>27,812</u> |
| SEGMENT RESULTS | | | | |
| Segment (loss) profit | <u>(10,782)</u> | <u>39,595</u> | <u>(357)</u> | 28,456 |
| Fair value loss on investment of an associate measured at FVTPL | | | | (76,142) |
| Fair value gain on financial assets measured at FVTPL | | | | 1,197 |
| Unallocated corporate expenses | | | | (11,434) |
| Finance costs | | | | <u>(33,715)</u> |
| Loss before taxation | | | | <u>(91,638)</u> |

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

At 31 December 2025

| | Cars | Property | Financial | Consolidated |
|------------------------------|-----------------|-------------------|---------------------|-----------------------|
| | HK\$'000 | investment | investments | HK\$'000 |
| | | HK\$'000 | and services | |
| | | | HK\$'000 | |
| Assets | | | | |
| Segment assets | <u>175,635</u> | <u>516,577</u> | <u>–</u> | <u>692,212</u> |
| Bank balances and cash | | | | 5,606 |
| Pledged bank deposits | | | | 8,564 |
| Unallocated corporate assets | | | | <u>54,304</u> |
| Consolidated assets | | | | <u><u>760,686</u></u> |

| | Cars | Property | Financial | Consolidated |
|-----------------------------------|-----------------|-------------------|---------------------|-----------------------|
| | HK\$'000 | investment | investments | HK\$'000 |
| | | HK\$'000 | and services | |
| | | | HK\$'000 | |
| Liabilities | | | | |
| Segment liabilities | <u>69,707</u> | <u>284,133</u> | <u>–</u> | <u>353,840</u> |
| Promissory notes | | | | 86,187 |
| Tax payable | | | | 6,376 |
| Deferred taxation | | | | 1,058 |
| Unallocated corporate liabilities | | | | <u>124,279</u> |
| Consolidated liabilities | | | | <u><u>571,740</u></u> |

At 31 December 2024

| | Cars <i>HK\$'000</i> | Property investment <i>HK\$'000</i> | Financial investments and services <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|---|-------------------------|---|---|---------------------------------|
| Assets | | | | |
| Segment assets | <u>249,781</u> | <u>467,882</u> | <u>–</u> | 717,663 |
| Bank balances and cash | | | | 18,116 |
| Pledged bank deposits | | | | 3,304 |
| Tax recoverable | | | | 10 |
| Investment of an associate measured at FVTPL | | | | 40,402 |
| Other financial assets measured at FVTPL | | | | 15,965 |
| Unallocated corporate assets | | | | <u>1,751</u> |
| Consolidated assets | | | | <u><u>797,211</u></u> |

| | Cars <i>HK\$'000</i> | Property investment <i>HK\$'000</i> | Financial investments and services <i>HK\$'000</i> | Consolidated <i>HK\$'000</i> |
|-----------------------------------|-------------------------|---|---|---------------------------------|
| Liabilities | | | | |
| Segment liabilities | <u>50,645</u> | <u>262,830</u> | <u>–</u> | 313,475 |
| Promissory notes | | | | 77,740 |
| Deferred taxation | | | | 7,271 |
| Unallocated corporate liabilities | | | | <u>131,212</u> |
| Consolidated liabilities | | | | <u><u>529,698</u></u> |

For the purpose of monitoring segment performance and allocating resource between segment:

- all assets are allocated to operating segment other than unallocated corporate assets, investment of an associate measured at FVTPL, other financial assets measured at FVTPL, bank balances and cash and pledged bank deposits;
- all liabilities are allocated to operating segment other than unallocated corporate liabilities, tax payable, deferred taxation and promissory notes.

5. OTHER GAINS AND LOSSES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Continuing operations | | |
| Net foreign exchange loss | (103) | (558) |
| Fair value gain (loss) on investment of an associate measured at FVTPL | 1,659 | (76,142) |
| Fair value gain (loss) on financial assets measured at FVTPL | 30,083 | (4,858) |
| Fair value gain on investment properties | 15,727 | 26,163 |
| Impairment loss on goodwill | (67,049) | – |
| Impairment loss on other receivables | (5,892) | – |
| Impairment loss on intangible assets | (22,113) | – |
| Loss on disposal of property, plant and equipment | (29) | – |
| | <u>(47,717)</u> | <u>(55,395)</u> |

6. FINANCE COSTS

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Continuing operations | | |
| Interests on bank and other borrowings | 31,521 | 29,972 |
| Interests on loan from a shareholder | 1,279 | – |
| Interests on promissory notes | 2,200 | 2,206 |
| Interests on loan from a non-controlling member of a subsidiary | 1,078 | 1,059 |
| Loan arrangement fee | 195 | 466 |
| Interests on lease liabilities | 124 | 12 |
| Imputed interest on promissory notes | 6,247 | – |
| | <u>42,644</u> | <u>33,715</u> |

7. TAXATION

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--------------------------------|-------------------------|-------------------------|
| Continuing operations | | |
| Current tax | | |
| Hong Kong | 105 | 70 |
| PRC | 2,999 | – |
| Under provision in prior years | | |
| Hong Kong | 20 | 11 |
| Deferred taxation | <u>(6,499)</u> | <u>(706)</u> |
| | <u>(3,375)</u> | <u>(625)</u> |

8. LOSS FOR THE YEAR

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Continuing operations | | |
| Loss for the year has been arrived at after charging/(crediting): | | |
| Auditor's remuneration | 1,228 | 1,278 |
| Staff costs: | | |
| Directors' emoluments | 7,182 | 6,512 |
| Other staff costs | 7,739 | 3,832 |
| | 14,921 | 10,344 |
| Rental income from investment properties | 28,000 | 26,640 |
| Less: direct operating expenses | (6,724) | (7,015) |
| | 21,276 | 19,625 |
| Amortisation of intangible assets | 3,249 | 544 |
| Depreciation of property, plant and equipment | 1,494 | 665 |
| Depreciation of right-of-use assets | 1,816 | 134 |
| Cost of inventories recognised as expense | 62,036 | 959 |

9. DISCONTINUED OPERATION

On 28 April 2025, the Group announced that the Directors resolved to cease the Group's Maserati dealership business in the PRC in the Car Segment. The termination was effective on 11 August 2025 and accordingly, the Group's Maserati business has been presented as discontinued operation.

The results of the discontinued business were set out in consolidated statement of profit or loss.

Loss for the year from discontinued operation has been arrived at after charging:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Depreciation of property, plant and equipment | 210 | 1,637 |
| Depreciation of right-of-use assets | – | 874 |
| Cost of inventory recognised as an expense | 1,046 | 2,059 |
| Impairment loss on property plant and equipment | – | 1,081 |

The major classes of assets and liabilities of the discontinued business as at 31 December 2025, which have been included in the consolidated statement of financial position, were separately shown as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-------------------------------|--------------------------------|-------------------------|
| Property, plant and equipment | 372 | 1,210 |
| Inventories | – | 1,020 |
| Trade and other receivables | 2,309 | 3,239 |
| Bank balances and cash | 1 | 7 |
| Trade and other payables | 949 | 2,189 |
| Lease liabilities | – | 2,230 |
| | <u> </u> | <u> </u> |

During the year ended 31 December 2025, the discontinued business contributed HK\$249,000 (2024: used HK\$2,317,000) to the Group's net operating cash flows, contributed HK\$691,000 (2024: HK\$1,232,000) in respect of investing activities and used HK\$946,000 (2024: Nil) in respect of financing activities.

10. LOSS PER SHARE

From continuing operations

The calculation of the basic and diluted loss per share for continuing operations attributable to owners of the Company is based on the following data:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|--------------------------------|-------------------------|
| Loss for the year attributable to owners of the Company (from continuing and discontinued operations) | (99,156) | (102,136) |
| Less: Loss for the year from discontinued operation | 4,428 | 5,993 |
| | <u> </u> | <u> </u> |
| Loss for the purpose of basic and diluted loss per share from continuing operations | (94,728) | (96,143) |
| | <u> </u> | <u> </u> |
| | 2025 | 2024 |
| | Number | Number |
| | of share | of share |
| Number of ordinary shares in issue for the purpose of calculating basic and diluted loss per share | 5,292,515,390 | 5,292,515,390 |
| | <u> </u> | <u> </u> |

For the years ended 31 December 2025 and 2024, the computation of diluted loss per share from continuing operations do not assume the exercise of the Company's share options because the assumed exercise would result in decrease in loss per share.

The computation of basic loss per share from continuing operations for the year ended 31 December 2025 and 2024 does not include contingently returnable shares of 800,000,000 shares relating to the acquisition of Hudson Holding Limited which is subject to recall. For the computation of diluted loss per share from continuing operations for the year ended 31 December 2025 and 2024, the contingently returnable shares are not assumed to be outstanding since it would result in a decrease in loss per share.

From continuing and discontinued operations

The calculation of the basic and diluted loss per share for continuing and discontinued operations attributable to owners of the Company is based on the following data:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Loss for the purpose of basic and diluted loss per share | <u><u>(99,156)</u></u> | <u><u>(102,136)</u></u> |

The denominator used are the same as those detailed above for both basic and diluted loss per share.

For the year ended 31 December 2025 and 2024, the computation of diluted loss per share from continuing and discontinued operations do not assume the exercise of the Company's share options because the assumed exercise would result in decrease in loss per share.

The computation of basic loss per share from continuing and discontinued operations for the year ended 31 December 2025 and 2024 does not include contingently returnable shares of 800,000,000 shares relating to the acquisition of Hudson Holding Limited which is subject to recall. For the computation of diluted loss per share from continuing and discontinued operations for the year ended 31 December 2025 and 2024, the contingently returnable shares are not assumed to be outstanding since it would result in a decrease in loss per share.

From discontinued operations

For the year ended 31 December 2025, basic loss per share from the discontinued operation is HK0.08 cent per share (2024: HK0.11 cent per share) and diluted loss per share for the discontinued operation is HK0.08 cent per share (2024: HK0.11 cent per share), based on the loss for the year from the discontinued operation of approximately HK\$4,428,000 (2024: HK\$5,993,000) and the denominators detailed above for both basic and diluted loss per share.

11. INVESTMENT PROPERTIES

| | <i>HK\$'000</i> |
|---------------------------------|-----------------------|
| At 1 January 2024 | 438,791 |
| Unrealized fair value gain, net | 26,163 |
| Exchange realignment | <u>(9,349)</u> |
| At 31 December 2024 | <u>455,605</u> |
| Unrealized fair value gain, net | 15,727 |
| Exchange realignment | <u>32,909</u> |
| At 31 December 2025 | <u><u>504,241</u></u> |

12. TRADE AND OTHER RECEIVABLES

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Trade receivables from contracts with customers | 1,681 | 1,146 |
| Rent receivables | <u>7,204</u> | <u>7,345</u> |
| | 8,885 | 8,491 |
| Utility and rental deposits | 1,877 | 1,853 |
| Value-added tax receivables | 2,564 | 2,780 |
| Prepayment | 9,188 | 8,095 |
| Deposit paid for acquisition of property, plant and equipment | – | 5,641 |
| Receivable from disposal of financial assets at FVTPL | 52,471 | – |
| Other receivables | <u>325</u> | <u>768</u> |
| | 75,310 | 27,628 |
| Less: Amount due more than one year shown under non-current assets | <u>(5,074)</u> | <u>(10,534)</u> |
| Amount shown under current assets | <u><u>70,236</u></u> | <u><u>17,094</u></u> |

Trade receivables from contracts with customers

As at 1 January 2024, there was no trade receivables from contracts with customers.

The Group's trade receivables denominated in foreign currencies of the relevant group entities are as follows:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|-----|-------------------------|-------------------------|
| USD | – | 220 |
| EUR | <u>1,681</u> | <u>926</u> |
| | <u><u>1,681</u></u> | <u><u>1,146</u></u> |

The following is an ageing analysis of trade receivables presented based on the invoice dates at the end of the reporting period:

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|----------------|-------------------------|-------------------------|
| Within 30 days | 633 | 1,146 |
| 31-60 days | 204 | – |
| 61-90 days | <u>844</u> | <u>–</u> |
| | <u><u>1,681</u></u> | <u><u>1,146</u></u> |

13. TRADE AND OTHER PAYABLES

Trade and other payables comprise amounts outstanding for trade purposes and daily operating costs. The average credit period on purchase of goods is 30 to 90 days. The following is an aged analysis of trade payables presented based on invoice date at the end of the reporting period.

| | 2025 | 2024 |
|--|-----------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Within 30 days | 5,326 | 446 |
| 31 to 60 days | 1 | – |
| 61 to 90 days | 141 | 50 |
| 91 days to 1 year | 473 | 172 |
| Over 1 year | 31 | 49 |
| | <hr/> | <hr/> |
| Trade payables | 5,972 | 717 |
| Accrued charges | 5,049 | 4,980 |
| Receipt in advance for rental income | 7,524 | 7,429 |
| Other payables | 16,775 | 22,035 |
| Payable in relation to disposal of financial assets at FVTPL | 22,816 | – |
| | <hr/> | <hr/> |
| | 58,136 | 35,161 |
| | <hr/> <hr/> | <hr/> <hr/> |

Included in other payables represent an amount of HK\$5,059,000 refundable deposits to customers relating to discontinued Hong Kong car business in 2024 (2025: Nil).

14. BANK AND OTHER BORROWINGS

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|--------------------------------|--------------------------------|
| Bank borrowing | – | 20,371 |
| Other borrowings | <u>358,692</u> | <u>361,483</u> |
| | <u>358,692</u> | <u>381,854</u> |
| Secured | 261,299 | 262,480 |
| Unsecured | <u>97,393</u> | <u>119,374</u> |
| | <u>358,692</u> | <u>381,854</u> |
| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
| Other borrowings | | |
| Carrying amount repayable: | | |
| Within one year | 261,299 | 242,109 |
| Within a period of more than one year but not exceeding two years | 12,548 | 91,702 |
| Within a period of more than two years but not exceeding five years | <u>84,845</u> | <u>27,672</u> |
| | 358,692 | 361,483 |
| Bank borrowing | | |
| Carrying amounts that contain a repayment on demand clause (shown under current liabilities) but repayable: | | |
| Within one year | <u>–</u> | <u>20,371</u> |
| | – | 20,371 |
| Less: Amounts due within one year shown under current liabilities | <u>(261,299)</u> | <u>(262,480)</u> |
| Amounts shown under non-current liabilities | <u>97,393</u> | <u>119,374</u> |

15. LOAN FROM A NON-CONTROLLING MEMBER OF A SUBSIDIARY

The loan from a non-controlling member of a subsidiary is an unsecured loan which will mature in October 2026 (2024: October 2025) or after full repayment of the other borrowing of HK\$261,299,000, related to the financing of the acquisition of Dakota RE II Limited in Scotland, whichever earlier, and carries interest at 10% (2024: 10%) per annum.

16. LOAN FROM A RELATED PARTY/A SHAREHOLDER

During the year ended 31 December 2023, the Group obtained a loan of RMB10,000,000 from a related party which is a director of the Company, the loan is interest free with maturity date on 12 February 2025. During the year, the loan has been extended with the new maturity date of 12 February 2026. This loan has been repaid on 13 January 2026.

The Group obtained a borrowing of HK\$32,000,000 (2024: Nil). The loan from a shareholder is unsecured and carries fixed interest at 7% per annum with maturity date on 7 April 2028.

17. PROMISSORY NOTES

On 29 October 2024, the Group issued promissory notes of fair value of HK\$52,081,000 in Hong Kong which is part of consideration to acquire the equity interest in Hudson Holding Limited. The promissory notes are not transferable and have a maturity date of three years since issuance and do not carry interest. The Group may redeem all or part of the promissory notes at any time to the maturity date at 100% of the face value of HK\$61,900,000. During the year ended 31 December 2025 and 2024, the Group has not repaid any principal.

On 25 March 2021, the Group issued unsecured promissory note amounting to HK\$53,500,000 in Hong Kong to acquire additional equity interest of 27.49% in Dakota RE II Limited. The unsecured promissory note has extended the maturity date to further two years from March 2024 to March 2026 in 2024, and a further extension of another two years to March 2028 in 2025 and carries interest at 8% per annum. The Group may redeem all or part of the promissory note at any time to the maturity date at 100% of the face value of the promissory note. During the years ended 31 December 2025 and 2024, the Group has not repaid any principal.

18. DIVIDEND

No dividend was paid or proposed for ordinary shares of the Company during the year ended 31 December 2025 (2024: nil), nor has any dividend been proposed since the end of the reporting period (2024: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Property Investment Division

For the year ended 31 December 2025, the Property Investment Division recorded a rental income of HK\$28.0 million for leasing the properties of the Group to third parties in Hong Kong and Scotland (2024: HK\$26.6 million). Rental income increased by HK\$1.4 million, mainly attributable to the commencement of a new tenancy and the upward adjustment of rental rates under a renewed lease agreement in Scotland during the second half of 2025.

Car Division

For the year ended 31 December 2025, the Car Division recorded a revenue of HK\$68.4 million, a sharp increase from HK\$4.7 million in 2024, primarily reflects the financial contribution of Hudson Holding Limited, which was acquired by the Group on 29 October 2024. This positive development highlights the Group's strategic efforts to diversify revenue streams and capture opportunities in the growing new energy vehicle ("NEV") market. In addition to capitalizing on Europe's growing NEV market, the Group has begun expanding its customer relationships and presence on a global scale. Leveraging its established logistics network, the Group has initiated the development of a car trading business, positioning itself to capture new opportunities across emerging markets and strengthen its global revenue streams.

Financial Investments and Services Division

Amid the prevailing market turbulence, the Group has adopted a cautious approach in its lending business to mitigate the risk of loan defaults and non-performing debts. As at 31 December 2025 and 2024, the Group did not have any outstanding loan lent to customers. Hence, no revenue was recorded.

Cost of Sales and Gross Profit

Gross profit increased by HK\$6.1 million to HK\$26.6 million (2024: HK\$20.5 million). The increase was primarily contributed by the performance of the Car Division.

As the car industry generally operates with structurally lower gross profit margins compared to the property investment sector, the shift in revenue mix resulted in a contraction in overall gross profit margin by 37.8 percentage points to 27.6% during the reporting period (2024: 65.4%).

Other Income

For the year ended 31 December 2025, other income amounted to HK\$6.6 million (2024: HK\$0.9 million). The increase of HK\$5.7 million was mainly contributed by the PRC government subsidy due to the achievement of EU certification for one of our NEV product and write-off of aged payables to customers related to discontinued operations.

Other Gains and Losses

Other gains and losses amounted to a net loss of HK\$47.7 million (2024: HK\$55.4 million) which mainly represented impairment losses on goodwill and intangible assets of HK\$67 million and HK\$22 million respectively, partially offset by fair value gain of investment of an associate of HK\$1.7 million (2024: fair value loss of HK\$76.1 million) measured at fair value through profit or loss (“FVTPL”), fair value gain of investment properties of HK\$15.7 million (2024: HK\$26.2 million) and fair value gain of financial assets measured at FVTPL of HK\$30.0 million (2024: fair value loss of HK\$4.9 million).

Selling and Distribution Costs and Administrative Expenses

Selling and distribution costs and administrative expenses in 2025 aggregated to HK\$42.3 million (2024: HK\$29.9 million). The net increase of HK\$12.4 million was mainly attributed to increase in staff cost, sales consultancy fee, amortization expense and research and development expenses.

Finance Costs

Finance costs during the year were increased to HK\$42.6 million (2024: HK\$33.8 million) which was mainly caused by increase in interest on bank and other borrowings by HK\$1.5 million to HK\$31.5 million (2024: HK\$30.0 million) and imputed interest on promissory note of HK\$6.2 million (2024: Nil).

Life Science Investment

On 8 October 2025, the Group entered into an agreement with an independent third party, which is also a holder of the Group’s certain other borrowings, for the transfer of its entire interest in issued share in Rainbow Surplus Investment Limited, an indirect wholly-owned subsidiary of the Company which primarily holds the investment in CBL at a consideration of HK\$41,000,000, which was settled by set-off against a portion of the outstanding principal and accrued interest from the aforementioned borrowings. The transaction was completed on 8 October 2025, and the Group has recognised a fair value gain of HK\$1,659,000 during the year ended 31 December 2025.

Loss Attributable to Shareholders

Loss attributable to shareholders of the Company for the year was HK\$99.2 million (2024: HK\$102.1 million). This result was primarily due to impairment losses on goodwill and intangible assets of HK\$67 million and HK\$22 million respectively.

Liquidity and Financial Resources

Cash Flow

During the year ended 31 December 2025, the Group financed its operations and investments through cash generated from the Group's operations, as well as bank and other borrowings. The Group successfully secured borrowings of HK\$42.5 million. Additionally, the Group repaid bank and other borrowings of HK\$20.3 million.

Cash and Cash Equivalents

As at 31 December 2025, the Group had cash and cash equivalents (including pledged bank deposits) of HK\$14.2 million as compared with HK\$21.4 million as at 31 December 2024, which were denominated in Pound Sterling (as to 80.2%), Hong Kong dollars (as to 13.3%) and Renminbi (as to 2.9%).

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

As at 31 December 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\$502.6 million (2024: HK\$481.6 million), of which HK\$216.9 million were repayable more than one year (2024: HK\$197.1 million were repayable more than one year). The Group's debt to equity ratio for the year ended 31 December 2025 increased to 266.1% from 180.0% for the year ended 31 December 2024 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\$502.6 million (2024: HK\$481.6 million) and total equity of HK\$188.9 million (2024: HK\$267.5 million).

The increase in debt to equity ratio resulted from a decrease in equity, eroded by impairment losses on goodwill and intangible assets.

The Group's bank borrowing, which amounted to HK\$20.4 million as at 31 December 2024, was fully repaid in April 2025. This facility, secured by an investment property in Hong Kong and a pledged bank deposit, was repayable in instalments over three years, carried a repayment-on-demand clause, and bore interest at HIBOR plus 2% per annum. Following the full repayment in the current year, the Group no longer has any outstanding balance under this bank loan.

The promissory note has maturity of seven years until March 2028 and carries interest at 8% per annum (“**Promissory Note 1**”). As at 31 December 2025, the outstanding principal and accrued interest under Promissory Note 1 amounted to HK\$27.5 million and HK\$6.6 million respectively (collectively, the “**Indebted Amount**”). Of the total accrued interest balance, HK\$2.2 million was recognised as finance cost in the current financial year. Subsequent to the Reporting Period, the entire Indebted Amount was fully capitalized and satisfied through the issuance of 3% coupon convertible bonds with a maturity date falling on the third anniversary of the issuance date (“**Convertible Bonds**”). The Convertible Bonds are convertible into ordinary Shares at a conversion price of HK\$0.34 per conversion share. This capitalization transaction has resulted in the full settlement and derecognition of the Promissory Note 1 liability from the Group’s statement of financial position after the reporting date.

Due to the acquisition of Hudson Holding Limited, the Company issued another promissory notes having maturity of 3 years and without interest (“**Promissory Notes 2**”). The fair value of Promissory Notes 2 as at 31 December 2025 is HK\$52.1 million. For the year ended 31 December 2025, the Group recognized imputed interest expense of HK\$6.2 million on Promissory Note 2.

The other borrowings of HK\$261.3 million, secured by an investment property in Scotland (“**Other Borrowings 1**”), and loan from a non-controlling member of a subsidiary have maturity in October 2026 and carry interest at 8.5% and 10% per annum respectively. Other Borrowings 2 represents an unsecured loan facility obtained by the Group from a third-party lender. As at 31 December 2025, the outstanding balance under Other Borrowings 2 amounted to HK\$60.2 million, comprising principal of HK\$52.1 million and accumulated interest of HK\$8.1 million. This borrowing carries interest at a fixed rate of 9% per annum and is scheduled to mature in April 2028. Subsequent to the Reporting Period, Other Borrowings 2 was fully capitalized and satisfied through the issuance of Convertible Bonds. The remaining balance of the other borrowings amounted to HK\$37.2 million, comprising principal of HK\$35.9 million and accumulated interest of HK\$1.3 million. These borrowings are unsecured, carries interest rates ranging from 2% to 3.85% per annum, with maturities spanning from 2027 to 2028. For the year ended 31 December 2025, the Group incurred total interest expense of HK\$31.5 million on secured and unsecured other borrowings with a balance of HK\$358.7 million, and HK\$1.1 million on loan from a non-controlling interest in a subsidiary, which had a balance of HK\$13.4 million.

The loan from a shareholder of HK\$33.3 million comprising principal of HK\$32 million and accumulated interest of HK\$1.3 million is unsecured, carries interest at 7% per annum and will be matured in April 2028. For the year ended 31 December 2025, the Group incurred interest expense of HK\$1.3 million on this loan.

Loan Receivables

During the current period of market distress, the Group has continued to adopt a prudent and cautious approach to balance the return and risk of the financing activities. As at 31 December 2025 and 2024, the Group did not have any outstanding secured loan lent to customers.

Foreign Exchange Exposure

The Group currently does not have a foreign currency hedging policy. The Group manages its foreign exchange exposure by monitoring the matching of the currency of its debt with (i) the collateral assets; and (ii) the debt servicing income derived from its business activities. During the year, loan secured by property in Scotland was denominated in Pound Sterling and serviced by income from Scotland denominated in Pound Sterling.

Due to the appreciation of the Pound Sterling over the period, a positive exchange difference arising on translation of foreign operations of approximately HK\$12.6 million was recorded during the year (2024: negative exchange difference of approximately HK\$4.9 million).

Pledge of Assets

As at 31 December 2025, certain of the Group's bank deposit and properties totaling HK\$469.0 million (2024: bank deposit and properties totaling HK\$458.9 million) were pledged as securities for relevant borrowings.

CAPITAL EXPENDITURES, COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2025, the Group had total capital commitment of HK\$7.2 million (31 December 2024: HK\$6.9 million), all capital commitments as at 31 December 2025 are authorized but not contracted for. The capital commitment primarily related to addition of equipment for EV business. These capital commitments are expected to be financed by internal resources of the Group.

As at 31 December 2025 and 31 December 2024, the Group had no material contingent liabilities.

EVENTS AFTER REPORTING PERIOD

Potential Change of Substantial Shareholder

On 22 January 2026, VMSIG, Maini Investments Limited and Gustavo International Limited entered into a sale and purchase agreement with B-ON Global S.à.r.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 Tin Lung Benny 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. For details, please refer to the announcements of the Company dated 22 January 2026, 22 February 2026 and 6 March 2026.

Appointment of Executive Director

Mr. ZHANG Kun has been appointed as an Executive Director with effect from 4 February 2026. For details, please refer to the announcement of the Company dated 4 February 2026.

Share Placement and Issuance of Convertible Bonds

On 13 February 2026, the Company announced that it has conditionally agreed to place through Guotai Junan Securities (Hong Kong) Limited (the “**Placing Agent**”), on a best-effort basis, up to an aggregate of 50,000,000 new Shares (the “**Placing Share(s)**”) at the price of HK\$0.30 per Placing Share (the “**Placing**”) to raise up to approximately HK\$14.36 million (after deduction of placing commission and other expenses of the Placing), representing approximately 0.78% of the then issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares. 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 independent placees (“**Placees**”) at the placing price of HK\$0.30 per Placing Share.

Details of the Placing were disclosed in the announcements of the Company dated 13 February 2026 and 26 February 2026.

The total issued Shares as at the date of this announcement are 6,142,515,390 Shares.

On 13 February 2026, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with Unicorn Global Group Limited (the “**Subscriber**”), pursuant to which the Company has conditionally agreed to issue to the Subscriber, and the Subscriber have conditionally agreed to subscribe for, the 3.0% coupon rate convertible bonds in aggregate principal amount of HK\$98,000,000 (the “**Convertible Bonds**”) at the conversion price of HK\$0.34 per Share(s) which may be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds (the “**Conversion Share(s)**”).

No gross proceeds were raised from the subscription of the Convertible Bonds and the subscription price of HK\$98,000,000 was paid by the Subscriber to the Company by way of offsetting the indebted amount owned by the Group to the Subscriber on a dollar-for-dollar basis.

Details of the subscription of the Convertible Bonds were disclosed in the announcements of the Company dated 13 February 2026 and 26 February 2026.

Saved as disclosed above, there are no material subsequent events after the end of the Reporting Period.

HUMAN RESOURCES AND CHARITY

As at 31 December 2025, the Group employed a total of 34 employees in Hong Kong and Mainland China. The Group believes that employees are all pivotal to our development and representing the most valuable asset for supporting our sustainable business growth. Total remuneration expenses in 2025 amounted to HK\$14.9 million (2024: HK\$10.3 million), which comprised fixed compensation such as basic salaries and allowances; variable incentives such as performance bonus; and long term incentives such as share-based payments as well as retirement benefits scheme. The increase in total remuneration is mainly driven by the acquisition of Hudson Holding Limited in October 2024, with the full-year impact recognized in 2025.

As always, we not only provided competitive remuneration packages and benefits programs to our employees, but also provided reasonable and safe working environment, as well as supporting employee's continued education to uncover their hidden potential.

BUSINESS REVIEW

Property Investment

The property investment business has formed part of the Group's reportable segments since 2014. The property investment division of the Group oversees and reviews its property portfolio from time to time to enhance returns and holds investment properties to earn rentals or for capital appreciation purposes. The Company funds the operations of the property investment division with its internal resources and banking facility. Our property investments consist principally of a portfolio of an office building in Scotland, an industrial building and a car park in Hong Kong.

For our investment properties in Hong Kong and Scotland, the Group continued to earn a rental income of HK\$2.0 million and HK\$26.0 million respectively (2024: HK\$2.3 million and HK\$24.3 million respectively) from leasing the investment properties. During the year, the Group recorded a net unrealised gain on fair value change of investment properties of HK\$15.7 million (2024: HK\$26.2 million).

As at 31 December 2025, approximately 86% of the total net internal area of Capella is subject to various tenancy agreements at a total rental of approximately GBP3.0 million per annum with the expiry date in February 2030 at the latest and a weighted average unexpired lease term to expiry of 3.75 years.

Cars

In 2025, against the backdrop of the global automotive industry's transformation wave, the Group achieved a major breakthrough in building a stable and sustainable business ecosystem in the European automobile market. At the same time, we accelerated our global layout and efficiently expanded into markets beyond Europe, realizing a comprehensive leap in business development.

The full year recorded sales revenue of HK\$68.1 million from the continuing operations, representing substantial growth compared with the previous year. This remarkable performance vividly demonstrates the Group's strategic foresight and strong execution capability in the market.

Through systematic enhancement of organizational and operational efficiency, comprehensive expansion of sales channel coverage, precise focus on core product portfolios, and deep participation in industry ecosystem development, the Group has not only established a solid foundation for its own long-term and stable development, but has also laid a strong basis for capturing a core share of the European electric vehicle market and continuously expanding into electric vehicle markets in other global regions. These achievements reflect the responsibility and commitment of Chinese automakers in pursuing globalization.

Strengthening Organizational Capabilities and Establishing Local Presence

To deeply integrate into the European market and achieve efficient localized operations, the Group took proactive and targeted actions by establishing two subsidiary companies in the Netherlands, which serve as the Group's European management headquarters. These entities comprehensively oversee brand strategy, sales policy formulation, pricing system approval, and unified operational supervision across the entire European region, building a clear division of responsibilities, highly collaborative, and fully covered regional management system. This provides strong organizational support for the standardized and sustainable development of the European business.

The primary operating entity in the Netherlands focuses on core markets and takes full responsibility for the import and export trade of vehicles and parts in the Benelux region (Netherlands, Belgium, Luxembourg), precise market promotion, in-depth channel development, key account management, and full-cycle after-sales service. It accurately addresses regional market needs and promotes the deep implementation and rooting of localized operations and services.

At the same time, the two Dutch subsidiaries leverage their radiating and driving effect to provide comprehensive operational coverage and specialized support to European countries where the Group has not yet established local entities. This has successfully formed a unified, linked, and efficient regional management framework, effectively addressing the challenges of differentiated operations across multiple European countries and driving overall quality improvement and coordinated development of the European business.

In addition, adhering to the philosophy of “win-win cooperation and complementary advantages,” the Group entered into a deep strategic partnership with the well-known local parts operator HOLVEX Handels GmbH to jointly establish a European after-sales spare parts operation warehouse center and an intelligent online service platform. This provides convenient, efficient, and precise spare parts ordering services to all dealers in the European region, continuously improving the after-sales support system, strengthening the Group's service foundation in the European market, and helping steadily enhance brand reputation and deepen market recognition.

Expanding Sales Channels and Agency Network Development

During the expansion process in the European market, the Group accurately grasped regional market patterns and industry trends, and innovatively adopted a “low investment, high return, fast penetration” agency cooperation model to efficiently expand the European sales network and steadily increase market penetration.

By combining the Group's professional sales management team with deep collaboration from experienced local industry professionals in Europe, the model effectively controlled initial investment costs and reduced market entry risks while fully leveraging local resource advantages to rapidly enter the European market and enhance local brand recognition.

In 2025, the Group seized the momentum and steadily advanced, successfully entering the markets of eight European countries, including Italy, Switzerland, Germany, Spain, and Austria. In key markets such as Switzerland and Italy, the Group have collaborated with local partners to develop brand image stores to strengthen localized brand display and promotion effectiveness, ensuring precise implementation of localized promotion, achieving alignment between products and European market demand, and enabling rapid response to market dynamics. These efforts have driven widespread adoption and deep penetration of products across Europe.

Beyond Europe, leveraging the strong brand influence and mature product customization capabilities accumulated in the European market, the Group adopted an integrated promotion model of “online precise communication + offline deep implementation.” Upholding the core principle of “maximizing satisfaction of customers’ core needs and creating sustainable commercial value for customers,” the Group fully utilized its core strengths in integrating China’s automotive industry supply chain and industrial chain resources to actively explore high-potential markets in South America, Africa, Central Asia, the Middle East, and other regions, achieving significant results. These accomplishments have accumulated rich customer resources and market experience for continued business expansion, established a solid market foundation, and continued to enlarge and deepen the Group’s global market footprint.

Focus on Product Strategy and Achievement of Regulatory Milestones

In 2025, the Group consistently adhered to the product strategy of “focusing on core products and striving for excellence,” concentrating resources on promoting and delivering value through three main electric vehicle models, building core product competitiveness, and precisely addressing diverse global market demands.

To date, the Group has successfully completed regulatory approval processes in major European markets, including Germany, France, Italy, Switzerland, Austria, and the Czech Republic. Product indicators strictly comply with Europe’s stringent industry standards and environmental requirements. This not only ensures compliant launch and orderly promotion in the European market but also provides solid support for the Group’s strategic expansion and deep brand cultivation in Europe, demonstrating the outstanding quality and technical strength of the Group’s products.

At the same time, building on the high recognition of European standards and their global influence, the Group actively promoted product adaptation to regulatory requirements in various non-European regions, successfully completing local regulatory approvals and achieving local sales and registration in multiple countries outside Europe. These achievements have effectively broken down regional market access barriers, cleared key bottlenecks for global product rollout, facilitated smooth promotion and deep market penetration in those regions, and laid a strong foundation for targeted marketing, expanded global brand influence, and enhanced core competitiveness – providing strong assurance for the continued deepening and high-quality development of the Group’s global business.

Brand Enhancement and Product Promotion

To further elevate the Group's global brand awareness, reputation, and influence, support deeper channel development, and promote product market penetration, in 2025 the Group proactively built brand display and communication platforms and actively participated in various globally renowned automotive exhibitions and high-end industry events, showcasing the Group's product advantages, technical strength, and brand philosophy from multiple angles. Key activities included:

- In February 2025, participation in the Paris Rencontres Flotauto trade exhibition, precisely connecting with procurement executives and public fleet managers from various European countries. The Group prominently displayed its latest developed electric vehicle models, fully highlighting core technical advantages, intelligent features, and environmental value. The event received coverage from over 250 mainstream global media outlets, effectively enhancing brand visibility and marketing effectiveness, and accumulating strong goodwill for subsequent business expansion and customer cooperation.
- In July 2025, participation in the Lamborghini Super Trofeo Asia Challenge held in Korea, demonstrating the Group's commitment and technical pursuit in the high-performance electric vehicle segment. Leveraging the high-end influence of the racing platform, the Group increased brand exposure and professional recognition in the global automotive and motorsport fields, expanding high-end industry networks and further strengthening the brand's professional image and technical reputation.
- In July 2025, in collaboration with local senior industry professionals and core partners, the Group participated in the opening of a brand experience store in Armenia, deepening local market presence and strengthening emotional connections with local consumers. In September, November, and December 2025, thematic test-drive events were held in Germany, Austria, and France respectively, allowing local consumers to experience the outstanding performance, comfort, and intelligent advantages of the Group's products at close range, reinforcing brand recognition and improving product conversion efficiency.

Furthermore, the Group places high importance on localized brand communication, adhering to the principle of "tailored to local conditions and precise reach." This is achieved through operating localized Hudson brand websites, deep participation in local industry exchanges and public welfare activities, diversified social media marketing on mainstream local platforms such as LinkedIn and Facebook, and establishing deep cooperation with mainstream local media for targeted promotional campaigns. These efforts continuously strengthen brand communication and emotional bonds with local consumers, dealers, and partners, steadily enhancing brand affinity and market acceptance, and injecting strong brand momentum into the Group's ongoing business expansion.

Through the implementation of the above strategic initiatives, the Group successfully achieved a strategic breakthrough in the European market in 2025 and continued to expand its electric vehicle business globally. In an increasingly competitive electric vehicle industry environment, the Group has firmly seized global market opportunities through innovative products, efficient marketing models, and in-depth localized deployment.

For our Maserati dealership business in PRC, reference is made to the announcement of the Company dated 28 April 2025 in relation to the business update of the Group's Maserati dealership business, the Group has terminated the car dealership business in Wuhan.

Financial Investments and Services

The Group holds a valid money lender license and successfully renew the license in January 2025. The Group also has adequate infrastructure to support the financial services division such as subscribing to the World-Check database system operated by Reuters to conduct comprehensive background checks of the borrowers and security providers.

To cope with the recent susceptible market sentiments and market volatility, the Group has continued to adopt a prudent and cautious approach to balance the return and risk of the financing activities. As at 31 December 2025 and 2024, the Group did not have any outstanding secured loan lent to customers.

OUTLOOK

Building on 2025 achievements, the Group remains committed to sustainable growth in the electric vehicle sector. Despite ongoing economic uncertainties, geopolitical risks, and industry challenges, management will adopt a cautious approach, emphasising prudent capital management, strict cost control, and enhanced operational efficiency to strengthen financial resilience.

Going forward, the Group will continue to follow its core philosophy of “innovation-driven, global layout, customer-centric”, focusing on improving product competitiveness, expanding its global presence, and strengthening brand influence. Through these efforts, the Group aims to navigate the evolving market environment responsibly and pursue sustainable long-term development in the global electric vehicle industry.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Disclosure under Rule 14.36B

References are made to the announcements of the Company dated 11 September 2024, 21 October 2024 and 29 October 2024.

On 11 September 2024, Racing Time Limited (“**Racing Time**”), an indirectly wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Power Sky Investments Limited, AB Holding Limited and Red Maple Holdings Limited (together the “**Vendors**”) pursuant to which Racing Time conditionally agreed to acquire, and the Vendors conditionally agreed to sell the entire issued share capital of Hudson Holding Limited (the “**Sale Shares**”), at a consideration of HK\$165,900,000 (the “**Consideration**”), which shall be settled (a) as to HK\$104,000,000 by

the issue and allotment of the 800,000,000 consideration shares of the Company (the “**Consideration Share(s)**”) to the Vendors at the issue price of HK\$0.13 per Consideration Share and (b) as to the remaining balance of HK\$61,900,000 by the issue of the promissory notes (the “**Promissory Notes**”) in the principal amounts by Racing Time to the Vendors (the “**Acquisition**”). Hudson Holding Limited is a company incorporated in Samoa with limited liability and is principally engaged in investment holding and its subsidiaries are engaging in research and development, as well as the production and export of electric vehicles to the European market.

On 29 October 2024, Completion of the Acquisition has taken place. The Company issued (a) the 800,000,000 Consideration Shares to the Vendors and (b) the Promissory Notes to the Vendors.

Pursuant to the Sale and Purchase Agreement, the Vendors irrevocably and unconditionally warrant and guarantee to Racing Time that the consolidated revenue of Hudson Holding Limited and its subsidiaries (the “**Hudson Group**”) for the financial year or period commencing from 1 January 2025 to 31 December 2025 or an earlier date of fulfilment of the 2025 Guaranteed Revenue (whichever is the earlier) (the “**Guaranteed Period**”), prepared in accordance with the Hong Kong Financial Reporting Standards will not be less than RMB422,243,785 (equivalent to approximately HK\$464,468,000) (the “**2025 Guaranteed Revenue**”). In the event that the actual consolidated revenue of the Hudson Group during the Guaranteed Period is less than the 2025 Guaranteed Revenue, Racing Time shall be compensated by the Vendors (in proportion to their respective Sale Shares sold to Racing Time) in according to a prescribed formula pursuant to the terms of the Sale and Purchase Agreement. The compensation amount shall first be offset by the Consideration Shares. The residual amount (if any) of the compensation amount shall then be offset by the face value of the Promissory Notes.

Given the potential adjustment on the Consideration, on 29 October 2024, each of the Vendors, Racing Time and VMS Securities Limited (the “**Escrow Agent**”) entered into the escrow letter, pursuant to which the Consideration Shares and Promissory Notes shall be held by the Escrow Agent.

The consolidated revenue of the Hudson Group for the financial year ended 31 December 2025 in accordance with the Hong Kong Financial Reporting Standards amounted to RMB62,888,463. As compared with 2025 Guaranteed Revenue, there is a shortfall amount of RMB359,355,322. Racing Time shall be compensated by an amount equals to HK\$141,191,061 which shall be first offset by transferring the Consideration shares held by Escrow Agent and the remaining balance by deducting from the Promissory Notes.

The management of the Company will discuss with the Vendors regarding the arrangement of the compensation. The Company will comply with the disclosure requirements under Rule 14.36B of the Listing Rules as and when appropriate.

Save as disclosed above, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil). No interim dividend was paid during the year ended 31 December 2025 (2024: Nil).

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including Treasury Shares (if any)) during the year ended 31 December 2025.

CORPORATE GOVERNANCE

Maintaining an effective corporate governance framework is one of the priorities of the Company. In the opinion of the Directors, the Company had complied with all the CG Code Provisions throughout the year ended 31 December 2025, except the following deviations:

CG Code Provision C.2.1

Mr. CHONG Tin Lung Benny is the Executive Chairman and the Chief Executive Officer. Mr. Chong has extensive experience in corporate management and securities investments and is responsible for the overall corporate strategies, planning and business development of the Group. The Board considers that the vesting of two roles in the same person provides our Group with strong and consistent leadership and facilitates the implementation and execution of our Group's business strategy. Although the positions of the Executive Chairman and Chief Executive Officer are not separate, the broke and authorities have not been concentrated as all major decisions have been made in consultation with the Board and appropriate Board Committee. The Board believes that a balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high caliber individuals including four Executive Directors (including Mr. CHONG Tin Lung Benny), one Non-executive Director and three Independent Non-executive Directors as at the Latest Practicable Date who offer advices and views from different perspectives. Moreover, the Audit Committee has be provided with sufficient resources to perform its duties, including obtaining outside legal or other independent professional advice when it considers necessary. The Company shall nevertheless review the structure from time to time in light of the prevailing circumstances.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as standard for dealings in securities of the Company by the Directors. Having made specific enquiry of all Directors by the Company, during the year ended 31 December 2025, the Directors confirmed that they have complied with the standards set out in the Model Code.

REVIEW OF ANNUAL RESULTS

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025 including the accounting principles and practices adopted by the Group, and discussed the risk management, internal control and financial reporting matters during the review.

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on Wednesday, 20 May 2026. For further details of the AGM, please refer to the notice of AGM, which will be despatched to the Shareholders by the means of receipt of communications they selected in due course.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The record date for determining the eligibility of the Shareholders to attend and vote at the AGM is Wednesday, 20 May 2026. In order to determine the identity of the Shareholders who are entitled to attend and vote at the forthcoming AGM, all transfers accompanied by the relevant Share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Thursday, 14 May 2026. The register of members of the Company will be closed from Friday, 15 May 2026 to Wednesday, 20 May 2026 (both dates inclusive), during which period no transfer of Shares will be registered.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.autoitalia.com.hk) respectively. The annual report of the Company for the year ended 31 December 2025 will be despatched to the Shareholders by the means of receipt of communications they selected and published on the aforesaid websites in due course.

GLOSSARY OF TERMS

In this announcement, unless the context otherwise requires, the following expressions have the meanings as mentioned below:

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| “AGM” | the annual general meeting of the Company; |
| “Associate(s)” | has the same meaning as ascribed to it under the Listing Rules; |
| “Audit Committee” | the audit committee under the Board; |
| “Board” | the board of Directors; |
| “Capella” | the property known as Capella, 60 York Street, Glasgow, G2 8JX, United Kingdom; |
| “Car Division” | the business segment of the Group in respect of trading cars and related accessories, research and development and sales of electric vehicles and related accessories to the European market; |
| “CBL” | Chime Biologics Limited, a company incorporated in British Virgin Islands with limited liability and which is an associate company of the Company; |
| “CG Code” | the Corporate Governance Code contained in Appendix C1 of the Listing Rules; |
| “Chief Executive Officer” | the chief executive officer of the Company; |
| “CODM” | the chief operating decision maker of the Company; |
| “Company” | AUTO ITALIA HOLDINGS LIMITED, an exempted company incorporated in Bermuda with limited liability, whose Shares are listed on the main board of the Stock Exchange; |

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| “Director(s)” | the director(s) of the Company; |
| “Executive Chairman” | the chairman of the Board; |
| “Executive Director(s)” | the executive director(s) of the Company; |
| “EUR” | the lawful currency of the members states of the European Union; |
| “Financial Investments and Services Division” | the business segment of the Group in respect of securities investment, financing and corporate finance services; |
| “GBP” | British pound sterling, the lawful currency of the United Kingdom; |
| “Group” | the Company and its subsidiaries; |
| “HKFRSs” | Hong Kong Financial Reporting Standards; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “Latest Practicable Date” | 27 March 2026; |
| “Life Science Investment Division” | the business segment of the Group in respect of life science investment; |
| “Independent Non-executive Director(s)” or “INED(s)” | the independent non-executive director(s) of the Company; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time; |
| “Maserati” | an Italian luxury vehicle manufacturer which was currently owned by Stellantis N.V.; |
| “Model Code” | the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules; |
| “Non-executive Director” | the non-executive director of the Company; |

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| “PRC” or “Mainland China” or “China” | The People’s Republic of China, which for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan; |
| “Property Investment Division” | the business segment of the Group in respect of property investment; |
| “Reporting Period” | the reporting period for the year ended 31 December 2025; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Share(s)” | ordinary share(s) of HK\$0.02 each in the share capital of the Company; |
| “Shareholder(s)” | holder(s) of the Share(s); |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Subsidiary” | has the same meaning as ascribed to it under the Listing Rules; |
| “Treasury Shares” | has the same meaning as ascribed to it under the Listing Rules; |
| “US\$” | United States Dollars, the lawful currency of the United States of America; |
| “VMSIG” | VMS Investment Group Limited, the Substantial Shareholder of the Company; and |
| “%” | per cent. |

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

Hong Kong, 27 March 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, 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.