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AUTO ITALIA HOLDINGS LIMITED

意達利控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

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

Financial Adviser to the Company



Placing Agent



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PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 13 February 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure, on a best-efforts basis, not less than six Placees to subscribe for up to 50,000,000 new Shares at the Placing Price of HK\$0.30 per Share.

Assuming that all the Placing Shares are fully placed, the maximum gross proceeds of the Placing are expected to be approximately HK\$15.00 million. The net proceeds from the Placing are expected to be approximately HK\$14.36 million (after deducting related fees and expenses of the Placing). On such basis, the net price per Placing Share is approximately HK\$0.287 per Share.

The maximum number of 50,000,000 Placing Shares represents (i) approximately 0.82% of the existing total number of issued Shares as at the date of this announcement; (ii) approximately 0.81% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares; and (iii) approximately 0.78% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares and the Conversion Shares upon full exercise of the conversion rights attaching to the Convertible Bonds, on the assumption that there will be no other change to the issued share capital of the Company between the date of this announcement and the Placing Completion and the conversion of the Convertible Bonds in full.

The Company will make an application to the Stock Exchange for the grant of listing of, and permission to deal in, the Placing Shares.

SUBSCRIPTION OF CONVERTIBLE BONDS UNDER THE GENERAL MANDATE

The Board further announces that on 13 February 2026 (after trading hours), the Company entered into the Subscription Agreement with 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 Convertible Bonds in an aggregate principal amount of HK\$98,000,000 at the Conversion Price of HK\$0.34 per Conversion Share.

As at the date of this announcement, the Company has 6,092,515,390 Shares in issue. Assuming that there will be no change to the total issued share capital of the Company between the date of this announcement and upon the full conversion of the Convertible Bonds, based on the initial Conversion Price of HK\$0.34 per Conversion Share, a maximum of 288,235,294 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full, representing (i) approximately 4.73% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 4.52% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon full exercise of the conversion rights attaching to the Convertible Bonds in full; and (iii) approximately 4.48% of the total number of issued Shares as enlarged by the allotment and issue of the Conversion Shares upon full exercise of the conversion rights attaching to the Convertible Bonds and the allotment and issue of the Placing Shares in full, on the assumption that there will be no other change to the issued share capital of the Company between the date of this announcement and the Placing Completion and the conversion of the Convertible Bonds in full.

The Company will make an application to the Stock Exchange for the grant of listing of, and permission to deal in, the Conversion Shares.

GENERAL MANDATE TO ISSUE THE PLACING SHARES AND THE CONVERSION SHARES

The Placing Shares and the Conversion Shares to be issued upon the conversion of the Convertible Bonds will be issued and allotted under the General Mandate granted to the Directors to allot, issue and deal with Shares by a resolution of the shareholders of the Company passed at the AGM. Under such General Mandate, the Company is authorised to issue up to 1,218,503,078 new Shares. As at the date of this announcement, the General Mandate has not yet been utilized and is sufficient for the allotment and issue of both the Placing Shares and the Conversion Shares, and no additional approval from Shareholders of the Company is required for the allotment and issue of the Placing Shares and the Conversion Shares.

Completion of the Placing and the Subscription are not conditional upon each other. As completion of the Placing and the Subscription is subject to the satisfaction and/or waiver of certain conditions precedent, it may or may not materialise as contemplated or at all, and it may be terminated in certain circumstances, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

(1) PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 13 February 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure, on a best-efforts basis, not less than six Placees to subscribe for up to 50,000,000 new Shares at the Placing Price of HK\$0.30 per Share. The principal terms of the Placing Agreement are set out below.

The Placing Agreement

Date

13 February 2026 (after trading hours)

Parties

Issuer: the Company

Placing Agent: Guotai Junan Securities (Hong Kong) Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company or any of its connected persons.

Placing commission

The Placing commission payable to the Placing Agent under the Placing Agreement was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market commission rate for similar transactions.

Placees

The Placing Shares are expected to be placed to not less than six Placees, who and whose respective ultimate beneficial owners and parties acting in concert with them 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). It is not expected that any Placee will become a substantial shareholder of the Company upon completion of the Placing.

Placing Shares

The maximum number of 50,000,000 Placing Shares represents (i) approximately 0.82% of the existing total number of issued Shares as at the date of this announcement; (ii) approximately 0.81% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares; and (iii) approximately 0.78% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares and the Conversion Shares upon full exercise of the conversion rights attaching to the Convertible Bonds, on the assumption that there will be no other change to the issued share capital of the Company between the date of this announcement and the Placing Completion and the conversion of the Convertible Bonds in full save for the issue of the Placing Shares and the Conversion Shares as a result of the conversion of the Convertible Bonds in full.

Placing Price

The Placing Price of HK\$0.30 per Placing Share:

- (i) represents a discount of approximately 11.76% to the closing price of HK\$0.34 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) represents a discount of approximately 7.41% to the average closing price of approximately HK\$0.324 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined and negotiated on arm's length basis between the Company and the Placing Agent with reference to the prevailing market performance of the Shares and the prevailing market conditions.

The Placing Shares have an aggregate nominal value of HK\$1,000,000.00 based on a nominal value of HK\$0.02 per Share. Assuming that all the Placing Shares are fully placed, the maximum gross proceeds from the Placing are expected to be approximately HK\$15.00 million, while the net proceeds from the Placing, after deduction of the related placing agent fees, costs and expenses, are estimated to be approximately HK\$14.36 million.

The net Placing Price per Placing Share, after deduction of the related placing agent fees, costs and expenses, is estimated to be approximately HK\$0.287 per Placing Share.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects with the other existing Shares in issue on the date of allotment and issue of the Placing Shares.

Conditions Precedent of the Placing

The Placing is conditional upon the fulfillment of the following conditions (the “**Placing Conditions Precedent**”):

- (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares;
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (iii) the Company’s representations and warranties made pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Placing Completion Date.

In the event any of the Placing Conditions Precedent is not fulfilled on or before 6 March 2026 (or such other date as may be agreed between the parties thereto in writing), all rights, obligations and liabilities of the parties thereto shall cease and terminate and neither of the parties shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

Placing Completion

The Placing Completion shall take place on the Placing Completion Date, being a date falling within five (5) Business Days after the day on which the Placing Conditions Precedent are fulfilled or, as the case may be, waived (or such later date as may be agreed between the Company and the Placing Agent in writing).

Termination

The Placing Agent may terminate the Placing Agreement by notice in writing to the Company at any time prior to 8:00 a.m. on the Placing Completion Date upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (v) the commencement by any state, governmental, judicial, regulatory or political body or organization in Hong Kong or the PRC of any action against any of the Directors or an announcement by any state, governmental, judicial, regulatory or political body or organization in Hong Kong or the PRC that it intends to take any such action; or

- (vi) there is any adverse change, or any development involving a prospective adverse change, in or adversely affecting the business, general affairs, management, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Placing Agreement) as a whole; or
- (vii) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Placing Completion Date which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (viii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon termination of the Placing Agreement as described above, neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach thereunder prior to such termination.

(2) SUBSCRIPTION OF CONVERTIBLE BONDS UNDER THE GENERAL MANDATE

On 13 February 2026 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bonds.

The Subscription Agreement

The principal terms of the Subscription Agreement are summarised as follows:–

Date

13 February 2026 (after trading hours)

Parties

Issuer: the Company

Subscriber: Unicorn Global Group Limited

As of the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Subscriber and its ultimately beneficial owner is third party independent of and not connected with the Company or any of its connected persons.

Subject matter

Pursuant to the Subscription Agreement, the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$98,000,000 at the initial Conversion Price of HK\$0.34 per Conversion Share.

Conditions Precedent of the Subscription

Completion of the Subscription Agreement is conditional upon the satisfaction of the following conditions ("**Subscription Conditions Precedent**"):

- i. all necessary consents and approvals required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained, including but not limited to the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares upon exercise of the conversion rights under the General Mandate, having been obtained;
- ii. all necessary consents and approvals required to be obtained on the part of the Subscriber in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained;
- iii. the Listing Committee granting the approval for the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds, and such approval remains valid and effective;
- iv. none of the warranties given by the Company under the Subscription Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect; and
- v. none of the warranties given by the Subscriber under the Subscription Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or is misleading or untrue in any material respect.

The Company shall use its best endeavours to procure the fulfilment of the Subscription Conditions Precedent set out in (i), (iii) and (iv) as soon as practicable and in any event on or before the Subscription Long Stop Date. The Subscriber shall use its best endeavours to procure the fulfilment of the Subscription Conditions Precedent set out in (ii) and (v) as soon as practicable and in any event on or before the Subscription Long Stop Date. The Subscription Conditions Precedent set out in (i), (ii) and (iii) are incapable of being waived. If the Subscription Conditions Precedent are not fulfilled (or waived) on or before the Subscription Long Stop Date, the Subscription Agreement shall cease and terminate and neither the Company nor the Subscriber shall have any obligations and liabilities under the Subscription Agreement.

Completion of the Subscription

The Subscription Completion shall take place within five (5) Business Days after the day on which the Subscription Conditions Precedent set out above are fulfilled or, as the case may be, waived (or such later date as may be agreed between the Company and the Subscriber in writing).

Subject to fulfilment of the Subscription Conditions Precedent, the Subscriber shall subscribe to the Convertible Bonds in the principal amount of HK\$98,000,000 at its face value and the Subscription Price of HK\$98,000,000 shall be paid by the Subscriber to the Company by way of offsetting the Indebted Amount on a dollar-for-dollar basis.

Subject to fulfilment of the Subscription Conditions Precedent, the Company shall at the Subscription Completion execute an instrument and issue the Convertible Bonds at its full-face value to the Subscriber or its nominee(s) in such denomination and manner as the Subscriber may direct at Subscription Completion.

Upon the issuance of the Convertible Bonds at the Subscription Completion, the Indebted Amount will be fully offset. Accordingly, the Group's obligations and liabilities to the Subscriber in respect of the Indebted Amount shall be fully discharged and extinguished.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds are as follows:

Issuer:	The Company
Subscriber:	Unicorn Global Group Limited
Subscription Price:	100% of the principal amount
Principal amount:	HK\$98,000,000
Interest rate:	<p>The Convertible Bonds shall bear interest from and including the date of its issue to and including the Maturity Date at the rate of three per cent. (3.0%) per annum on the outstanding principal amount thereof.</p> <p>Interest shall be accrued daily on a 365-day basis and is payable on the Maturity Date (or such later date as the Company and the bondholder(s) may agree).</p>
Default interest:	If the Company fails to pay any of the amounts payable under the Convertible Bonds, the Company shall pay default interest on such amounts from the due date to the date of actual payment at an interest rate of four per cent. (4.0%) per annum.
Maturity Date:	The 3rd anniversary of the issuance date of the Convertible Bonds or, if this is not a Business Day, on the first Business Day thereafter (“ Maturity Date ”).
Early redemption by the Company:	The Company shall be entitled at its sole discretion, by giving not less than seven (7) days’ notice to the bondholders, propose to the bondholders to redeem the outstanding Convertible Bonds (in multiples of HK\$10,000,000 or such lesser amount as may represent the entire principal amount thereof) an amount equivalent to 100% of the principal amount of such outstanding Convertible Bonds together with all outstanding interest accrued thereon at any time after the date of issue of the Convertible Bonds up to and including the date falling seven days immediately before the Maturity Date.

Redemption on an Event of Default: Following the occurrence of an event of default specified under the instrument of the Convertible Bonds and a written notice is served by a holder of the Convertible Bonds to the Company specifying the event of default, a holder of the Convertible Bonds has the right at its option, to require the Company to redeem all (or any portion of the principal amount thereof) of the outstanding Convertible Bonds on the fifth Business Day after the date of the event of default redemption notice at their principal amount.

The events of default include, among others:

- (i) the Company fails to pay the principal amount and entitlements due in respect of any of the Convertible Bonds, and such default is not cured within thirty (30) days;
- (ii) the Company is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Company; or if an administrator or liquidator of the Company or the whole or any substantial part of the assets and revenues of the Company is appointed (or application for any such appointment is made);
- (iii) a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Company is not discharged or stayed within thirty (30) days;

- (iv) any action, legal proceedings or other procedure or step is taken (or any analogous procedure or step is taken in any jurisdiction) against the Company in relation to (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution or reorganisation except a solvent liquidation; (b) a composition, assignment or arrangement with any creditor; and (c) the appointment of an administrator or a liquidator.

Conversion Period: Each of the holders of the Convertible Bonds shall have the right at any time from the date of issue of the Convertible Bonds up to 4:00 p.m. (Hong Kong time) on the day immediately prior to and exclusive of the Maturity Date to convert the whole or any part of the outstanding principal amount of the Convertible Bonds registered in its name into Conversion Shares at the Conversion Price.

Conversion Restrictions: The holder(s) of the Convertible Bonds shall, subject to compliance with the procedures set out in the terms and conditions thereunder, have the right at any time during the conversion period to convert the whole or part of the outstanding principal amount of the Convertible Bonds registered in its name into the Conversion Shares provided further that any conversion shall be made in amounts of not less than a whole multiple of HK\$10,000,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Bonds is less than HK\$10,000,000, the whole (but not part only) of the outstanding principal amount of the Convertible Bonds may be converted.

The conversion rights under the Convertible Bonds shall only be exercisable so long as (i) the holders of the Convertible Bonds and its associates (as defined in the Listing Rules) will not render Shares held in public hands being less than the minimum public float of the Shares required under Rule 8.08(1) of the Listing Rules; and (ii) each of the holders of the Convertible Bonds and its respective parties acting in concert (as defined in the Takeovers Code) will not trigger a mandatory offer under Rule 26 of the Takeovers Code on the part of the holders of the Convertible Bonds and its parties acting in concert.

Conversion Price:

The Convertible Bonds shall be converted at the Conversion Price. Upon issue of the Convertible Bonds, the initial Conversion Price shall be HK\$0.34 per Conversion Share.

The initial Conversion Price per Conversion Share for the Convertible Bonds is subject to adjustments in each of the following cases:

(a) Consolidation, sub-division or re-classification of the Shares

If and whenever the Shares by reason of any consolidation, sub-division or re-classification become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount.

Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation, sub-division or re-classification becomes effective.

(b) Capitalisation of profits or reserves

If and whenever the Company shall issue (other than in lieu of the whole or part of a cash dividend and other than issue that would amount to a capital distribution) any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A + B}$$

where:

A = the aggregate nominal amount of the issued Shares immediately before such issue; and

B = the aggregate nominal amount of the Shares issued in such capitalisation.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for such issue.

(c) Capital distribution

If and whenever the Company shall make any capital distribution to the Shareholders (in their capacity as such) (whether on a reduction of capital or otherwise) or shall grant to such holders right(s) to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

$$\frac{A - B}{A}$$

where:

A = the market price on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the next preceding day of the capital distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by the independent adviser, of the portion of the capital distribution or of such rights which is attributable to one Share. For avoidance of doubt, if the capital distribution is distributions in cash the fair market value shall be the cash value and determination by the independent adviser is not required.

Provided that (aa) if in the opinion of an independent adviser, the use of the fair market value as aforesaid produces a result which is significantly inequitable, such independent adviser may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the capital distribution or rights; and (bb) the provisions of this paragraph (c) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for the capital distribution or grant.

(d) Issue of Shares for subscription by way of rights

If and whenever the Company shall offer to Shareholders new Shares for subscription by way of rights, or shall grant to Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price on the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price per Share; and

C = the number of Shares offered for subscription or comprised in the options or warrants.

Such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant.

Provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the holder of the Convertible Bonds (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of a recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if they had exercised the conversion rights under the Convertible Bonds registered in their holders of the Convertible Bonds out of the total principal amount of the Convertible Bonds outstanding at the time of the proposed redemption.

(e) (aa) Issue of convertible or exchangeable securities

If and whenever the Company shall issue wholly for cash or for reduction of liabilities any securities or for acquisition of asset convertible into or exchangeable for or carry rights of subscription for new Shares, and the total Effective Consideration per Share (as defined in this paragraph (e) below) initially receivable for such securities is less than 90% of the market price on the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of the issue;

B = the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price per Share; and

C = the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price.

Such adjustment shall become effective on the date of the issue.

(bb) Modification of rights of convertible or exchangeable securities

If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of paragraph (e) are modified so that the total Effective Consideration per Share (as defined below) initially receivable for such securities shall be less than 90% of the market price on the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of such modification;

B = the number of Shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price; and

C = the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price.

Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of the Conversion Price provided that corresponding adjustment has already been made to the Conversion Price in respect of such an event.

For the purposes of this paragraph (e), the “**total Effective Consideration**” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities or the aggregate consideration deemed to be paid for such securities on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the total Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

(f) Issue of Shares being made wholly for cash or for reduction of liabilities at a price less than 90% of the market price per Share

If and whenever the Company shall issue wholly for cash or for reduction of liabilities any Shares at a price per Share which is less than 90% of the market price on the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate amount payable for the issue would purchase at such market price; and

C = the number of Shares so issued.

Such adjustment shall become effective on the date of the issue.

(g) If and whenever the Company shall issue Shares for the acquisition of asset at a total Effective Consideration per Share (as defined in this paragraph (g) below) which is less than 90% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price per Share; and

C = the number of Shares so issued.

Such adjustment shall become effective on the date of the issue.

For the purpose of this paragraph (g) “**total Effective Consideration**” shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**total Effective Consideration per Share**” shall be the total Effective Consideration divided by the number of Shares issued as aforesaid.

For the avoidance of doubt, the Placing Completion will not trigger the above-mentioned adjustments to the Conversion Price.

Voting Rights:

The holder(s) of the Convertible Bonds shall not have any right to attend or vote in any general meeting of the Company.

Transferability:

Subject to compliance with the Listing Rules, the Convertible Bonds may be transferred or assigned in whole or in part in integral multiples of HK\$10,000,000 by the holder(s) of the Convertible Bonds to any party, save and except that the Convertible Bonds shall not be transferred to a connected person of the Company unless with the prior written consent of the Company.

Ranking of Conversion Shares:	The Conversion Shares issued upon conversion of the Convertible Bonds will in all respects rank <i>pari passu</i> with the Shares in issue on the relevant conversion date as if the Conversion Shares issued had been issued on such date and accordingly shall entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the relevant conversion date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant conversion date.
Security:	The obligations of the Company under the Convertible Bonds are unsecured.
Application for listing:	No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made to the Stock Exchange for the listing of and permission to deal in the Conversion Shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds.

Conversion Price

The initial Conversion Price of HK\$0.34 per Conversion Share represents:

- (i) no discount to the closing price of HK\$0.34 per Share as quoted on the Stock Exchange on 13 February 2026, being the date of the Subscription Agreement; and
- (ii) a premium of approximately 4.94% over the average closing price of HK\$0.324 per Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the Subscription Agreement.

The net Conversion Price, after deduction of relevant expenses, is approximately HK\$0.339 per Conversion Share. The Conversion Price was arrived at after arm's length negotiations between the Company and the Subscriber, taking into account, among others, the recent trading performance of the Shares.

Taking into account the estimated expenses for the Subscription of approximately HK\$158,000, comprising fees, costs, charges, and expenses of the Subscription, the net price of each Conversion Share amounts to approximately HK\$0.339 per Conversion Share.

The Directors consider that the Conversion Price and the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conversion Shares

Based on the initial Conversion Price of HK\$0.34 per Conversion Share, a maximum number of 288,235,294 Conversion Shares will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full, which represent: (i) approximately 4.73% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 4.52% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Bonds in full; and (iii) approximately 4.48% of the total number of issued Shares as enlarged by the allotment and issue of the Conversion Shares upon full exercise of the conversion rights attaching to the Convertible Bonds and the allotment and issue of the Placing Shares in full, on the assumption that there will be no other change to the issued share capital of the Company between the date of this announcement and the Placing Completion and the conversion of the Convertible Bonds in full save for the issue of the Placing Shares and the issue and allotment of the Conversion Shares as a result of the conversion of the Convertible Bonds in full.

The maximum aggregate nominal value of the Conversion Shares is HK\$5,764,705.88 based on a nominal value of HK\$0.02 per Share.

INFORMATION OF THE SUBSCRIBER

The Subscriber is Unicorn Global Group Limited, a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The Subscriber is 100% owned by Li Suk Ling Tiona.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Subscriber and its ultimately beneficial owner is a third party independent of the Company and its connected persons.

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.

On the assumption that all Placing Shares are fully placed, the gross proceeds of the Placing are expected to be approximately HK\$15 million. The net proceeds from the Placing are expected to be approximately HK\$14.36 million (after deducting related fees and expenses of the Placing). On such basis, the net price per Placing Share is approximately HK\$0.287 per Share.

The Subscription Price shall be settled in full by way of set-off on a dollar-to-dollar basis against the Indebted Amount. Accordingly, no cash proceeds will be received by the Company from the Subscription.

The Company intends to apply the net proceeds from the Placing 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.

In light of the above, the Directors are of the view that the capitalisation of the Indebted Amount into Convertible Bonds will strengthen the Group's financial position by reducing its liabilities and gearing level, while the cash portion of the Subscription Price and proceeds from the Placing will provide additional working capital to support the Group's operations and future development. Accordingly, the Directors consider that the terms of the Placing Agreement and the Subscription Agreement are fair and reasonable, on normal commercial terms, and that the entering into of the Placing Agreement and the Subscription Agreement are in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12-MONTH PERIOD

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

GENERAL MANDATE TO ISSUE THE PLACING SHARES AND THE CONVERSION SHARES

The Placing Shares and the Conversion Shares will be issued under the General Mandate approved on 16 May 2025 and are not subject to the Shareholders' approval. The maximum number of Shares that can be issued under the General Mandate is 1,218,503,078 Shares, being 20% of the total number of Shares in issue as at the date of the AGM on 16 May 2025.

As at the date of this announcement, the General Mandate has not yet been utilised. Accordingly, the Company will be allowed to allot, issue, or transfer a maximum of 1,218,503,078 Shares (whether by way of issue of new Shares or transfer of treasury shares or otherwise), and it is intended that the Placing Shares and the Conversion Shares will be allotted and issued by way of issue of new Shares thereunder. Therefore, no Shareholders' approval is required for the allotment and issue of the Placing Shares and the Conversion Shares.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares and the Conversion Shares.

EFFECTS ON SHAREHOLDING STRUCTURE

As at the date of this announcement, 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; (ii) immediately upon the allotment and issue of the Placing Shares (assuming there is no change in the number of issued Shares from the date of this announcement up to the date of the Placing Completion) 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 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, on the assumption that there will be no other change to the issued share capital of the Company between the date of this announcement and the Placing Completion and the conversion of the Convertible Bonds in full.

Shareholder	As at the date of this announcement		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.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 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.*

Completion of the Placing and the Subscription are not conditional upon each other. As completion of the Placing and the Subscription is subject to the satisfaction and/or waiver of certain conditions precedent, it may or may not materialise as contemplated or at all, and it may be terminated in certain circumstances, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:—

“AGM”	the annual general meeting of the Company held and convened on 16 May 2025
“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company

“Business Day”	any day (excluding a Saturday, a Sunday, a public holiday and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Auto Italia Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 720)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	the initial conversion price of HK\$0.34 per Conversion Share (subject to adjustment)
“Convertible Bonds”	3.0% coupon rate convertible bonds in the aggregate principal amount of HK\$98,000,000 to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Conversion Share(s)”	the Share(s) which may be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed at the AGM to allot and issue up to 1,218,503,078 Shares, representing 20% of the then total number of Shares in issue on the date of passing such resolution
“Group”	the Company and its subsidiaries (from time to time)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Indebted Amount”	the aggregate outstanding indebtedness owed by the Group to the Subscriber as at 13 February 2026 amounted to approximately HK\$98,000,000, comprising (i) a loan with an outstanding principal amount of approximately HK\$55,099,592, 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 issued by a wholly-owned subsidiary of the Company with an outstanding principal amount of approximately HK\$27,500,000, together with interests in the amount of HK\$6,705,408 accrued thereon, bearing interest at 8% per annum and maturing in March 2028
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chong”	Mr. CHONG Tin Lung Benny, being the executive chairman, chief executive officer and executive Director of the Company, is beneficially interested in an aggregate of 1,570,907,472 Shares, representing approximately 25.78% of the issued share capital of the Company as at the date of this announcement
“Placee(s)”	any independent institutional, professional and/or individual investors whom the Placing Agent or its agent(s) has procured to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares to the Placees by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Guotai Junan Securities (Hong Kong) Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement dated 13 February 2026 (after trading hours) and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Completion”	completion of the Placing pursuant to the terms and conditions of the Placing Agreement

“Placing Completion Date”	the date on which the Placing Completion shall take place, being a date falling within five (5) Business day(s) after the date on which all the Placing Conditions Precedent set out in the Placing Agreement are satisfied, or such other date as the parties to the Placing Agreement may agree in writing
“Placing Price”	placing price of HK\$0.30 per Placing Share
“Placing Share(s)”	a total of up to 50,000,000 new Shares to be allotted and issued by the Company under the General Mandate and to be placed pursuant to the Placing Agreement
“PRC”	People’s Republic of China which, and for the sole purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Unicorn Global Group Limited, a company incorporated in the British Virgin Islands
“Subscription”	subscription of the Convertible Bonds by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	conditional subscription agreement dated 13 February 2026 (after trading hours) entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Completion”	completion of the Subscription pursuant to the terms and conditions of the Subscription Agreement
“Subscription Long Stop Date”	29 May 2026 or such other date as may be agreed by the Company and the Subscriber
“Subscription Price”	the principal amount of the Convertible Bonds to be issued to the Subscriber of HK\$98,000,000

“%”

per cent.

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

Hong Kong, 13 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*