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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)

PROFIT WARNING

This announcement is made by Auto Italia Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

Reference is made to (i) the announcement of the Company dated 26 November 2021 (the “**Announcement**”) in relation to, among others, the Acquisition, the Specific Mandate and the Whitewash Waiver (the “**Proposed Transaction**”); (ii) the announcement of the Company dated 17 December 2021 in relation to the delay in despatch of the circular relating to the Proposed Transaction; (iii) the announcements of the Company dated 14 January 2022, 14 February 2022, 14 March 2022, 14 April 2022, 12 May 2022, 13 June 2022 and 20 July 2022 in relation to the monthly update regarding the Proposed Transaction; and (iv) the announcement of the Company dated 23 June 2022 in relation to the further delay in despatch of the circular relating to the Proposed Transaction. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

* *For identification purpose only*

The board of directors of the Company (the “**Board**”) wishes to inform the Shareholders and the potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (the “**Period**”) and the current information available to the Board, the Group is expected to record a consolidated loss attributable to owners of the Company of approximately HK\$105 million to HK\$115 million for the Period, as compared to the consolidated loss attributable to owners of the Company of approximately HK\$1.1 million for the period ended 30 June 2021 (the “**Statement**”). The expected consolidated loss attributable to owners of the Company is primarily attributable to (i) an unrealized fair value losses of the Group’s investment of an associate of approximately HK\$92.6 million measured at fair value through profit or loss which were caused by the unfavorable market condition during the Period; and (ii) the decrease of fair value gain of approximately HK\$10.4 million of investment properties during the Period, as compared to a gain of HK\$12.1 million in the same period last year.

The information contained in this announcement is based on the Board’s preliminary review of the unaudited consolidated management accounts of the Group for the Period and the current information available to the Board, which have neither been reviewed by the audit committee of the Company nor reviewed by the auditors of the Company. The Company is still finalising the interim results of the Group for the Period and such results are subject to adjustments. Shareholders and potential investors are advised to refer to the announcement of the unaudited consolidated interim results of the Group for the Period which is expected to be published in late August 2022.

The Statement constitutes a profit forecast under Rule 10 of the Takeovers Code and would need to be reported on by both the Company’s financial advisers and its auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements under Rule 13.09(2)(a) of the Listing Rules and Part XIVA of the SFO, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (timewise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code, if the Statement is published first in an announcement, it must be repeated in full, together with the reports from the Company’s financial advisers and auditors or accountants on the said profit forecast, in the next document to be sent to the Shareholders (the “**Shareholders’ Document**”). However, if the interim results of the Company for the Period which fall within the ambit of Rule 10.9 of the Takeovers Code have been published prior to the despatch of the next Shareholders’ Document and the relevant results together with the notes to the financial statements are incorporated by reference in the next Shareholders’ Document, the requirements to report on the Statement under Rule 10.4 of the Takeovers Code will no longer apply.

WARNING: The Statement has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on such forecasts in assessing the merits and demerits of the Acquisition, the Specific Mandate and the Whitewash Waiver. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and should consult their stockbroker, bank manager, solicitor or other professional advisers if in doubt.

By Order of the Board
Auto Italia Holdings Limited
CHONG Tin Lung Benny
Executive Chairman and Chief Executive Officer

Hong Kong, 8 August 2022

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.