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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 the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a substantial increase in loss for the year ended December 31, 2012 as compared to last year.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Auto Italia Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (“**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the unaudited management accounts of the Group, the Group is expected to record a substantial increase in loss for the year ended December 31, 2012 as compared to last year. The anticipated substantial increase in loss is mainly attributable to (i) the unsatisfactory performance of the car and fashion businesses in mainland China due to the sluggish local consumption and critical retail market situation; and (ii) the impairment of certain assets, including but not limited to, goodwill, available-for-sale financial assets and other receivables. The impairment loss is expected to be substantial but the Board would like to emphasize that such non-recurring impairment has no material effect on the cashflow of the Group’s operations.

Shareholders and potential investors should note that this announcement is only based on the preliminary assessment by the management of the unaudited consolidated management accounts of the Group and is not based on any figures or information audited or reviewed by the Company’s auditors. The audited consolidated results of the Group for the year ended December 31, 2012 are expected to be announced by the end of March, 2013.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
AUTO ITALIA HOLDINGS LIMITED
Dr. Richard Man Fai LEE
Executive Chairman and Chief Executive Officer

Hong Kong, February 8, 2013

As at the date of this announcement, the Board comprises Dr. Richard Man Fai LEE (Executive Chairman and Chief Executive Officer), Mr. Jeff Man Bun LEE, Mr. Tik Tung WONG and Mr. William Keith JACOBSEN, all of whom are executive Directors; Mr. Boon Seng TAN, Mr. Ying Kwan CHEUNG, Mr. Peter Pi Tak YIN and Mr. Antonio Maria SANTOS, all of whom are independent non-executive Directors.

** for identification purposes only*