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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of the Company dated July 4, 2012 (the “**Announcement**”) and the annual report of the Company for the year ended December 31, 2012 (the “**Annual Report**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

It was disclosed in the Announcement that the Company planned to use the entire net proceeds of approximately HK\$71.30 million from the Placing as general working capital and as premium for arranging a deposit bond in favour of Ferrari S.p.A. covering deposits from customers. In the Annual Report at page 139, it was disclosed that the gross proceeds of HK\$73,768,000 from the Placing were used as general working capital of the Group.

The Company wishes to clarify that it has always intended that the use of the net proceeds from the Placing for the deposit arrangement would form part of the usage for general working capital as the deposit arrangement was required for its ordinary course of car-sales business. In other words, the Company intends to apply the net proceeds from the Placing towards its general working capital, which includes the arrangement with respect to the deposit.

Further, discussions between the Company and Ferrari S.p.A. in relation to the deposit arrangement are still ongoing. Pending finalization of such discussions, the Company has in the meantime co-mingled the net proceeds from the Placing with its existing general working capital as part of its efficient capital management practice. Upon finalization of such discussions, the Company intends that a part of the net proceeds from the Placing will be used to fund the deposit arrangement.

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

Hong Kong, July 3, 2013

As at the date of this announcement, the Board comprises Dr. Richard Man Fai LEE (Executive Chairman and Chief Executive Officer), Mr. Benny Tin Lung CHONG (Vice-Chairman), Mr. Tik Tung WONG, Mr. William Keith JACOBSEN and Mr. Chi Yan LAM, all of whom are executive Directors; Mr. Boon Seng TAN, Dr. Antonio Maria SANTOS and Mr. Frankie To Yeung KONG, all of whom are independent non-executive Directors.

* *for identification purposes only*