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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

**(1) DISCLOSEABLE AND CONNECTED TRANSACTIONS
IN RELATION TO THE ACQUISITION OF
AN AGGREGATE OF APPROXIMATELY 40.27% OF
CHINA PREMIUM LIFESTYLE ENTERPRISE, INC.**

AND

**(2) PROPOSED MERGER OF CPLY ACQUISITION CORP. AND
CHINA PREMIUM LIFESTYLE ENTERPRISE, INC.**

Reference is made to the announcement of Auto Italia Holdings Limited (the “**Company**”) dated 8 July 2014 (the “**Announcement**”) in relation to (1) Discloseable and connected transactions in relation to the acquisition of an aggregate of approximately 40.27% of China Premium Lifestyle Enterprise, Inc. (“**CPLY**”), and (2) proposed merger of CPLY Acquisition Corp. (“**CPLY NewCo**”) and CPLY. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board would like to clarify and provide information on the following sections in the Announcement:

1. INFORMATION ON THE SELLERS

To the best of the Company’s information, knowledge and belief, having made all reasonable enquiries, the principal activity of the two corporate Sellers (other than Connected Person 2), namely Main Pacific Ltd and Lucky Time Asia Ltd, is investment holding.

2. REASONS FOR THE ACQUISITION AND THE MERGER

OTCBB is not a listing exchange. It is rather a quotation system on which companies can be quoted only when they are sponsored by a qualified broker who goes through the process and individual companies cannot apply to be quoted on the boards. There is no formal process for a company quoted on OTCBB to terminate the quotation either and it will eventually cease being quoted when the brokers realize that the shares are not longer traded.

As disclosed in the announcement of the Company dated 3 January 2013 in relation to Overseas Regulatory Announcement, CPLY filed the Form 15 (Certification and notice of termination of registration under section 12(g) of the US Securities Exchange Act of 1934 or suspension of duty to file reports under sections 13 and 15(d) of the US Securities Exchange Act of 1934) on 2 January 2013 (US time). When CPLY made such filing, it would have been moved to the “pink sheets” of the Over-the-counter (i.e. not being subject to the reporting requirements of the US Securities Exchange Commission) and since such filing, CPLY was not considered to be quoted on OTCBB as trading had been inactive and it was not sponsored by qualified brokers who go through the process.

After completion of the Acquisition and the Merger, the surviving entity will be the Surviving Corporation which will not be quoted on OTCBB.

The reasons for the Company to structure the Acquisition and the Merger by establishing CPLY NewCo to acquire CPLY Shares and then effect the Merger instead of a direct acquisition of the remaining approximately 50.23% CPLY interest by the Group is that, under the law of the jurisdiction of incorporation of CPLY (the State of Nevada, US), if a Nevada parent corporation owns at least 90% of the shares of a Nevada subsidiary, a “short-form” merger can be effected between the two corporate entities without a need for a shareholder vote at the subsidiary level and the remaining minority shareholders in the subsidiary may be cashed out. The Company considered this method of acquiring 100% ownership of CPLY as being more efficient and providing more certainty of execution as opposed to attempting to locate all CPLY shareholders and secure the purchase of their CPLY Shares. The costs involved in establishing CPLY NewCo were minimal. As such, the current structure is considered to be more appropriate and beneficial to the Group and the Shareholders.

Except as stated above, all the information in the Announcement remains unchanged.

By order of the Board
Auto Italia Holdings Limited
Chong Tin Lung Benny

Executive Chairman and Chief Executive Officer

Hong Kong, 15 July 2014

As at the date of this announcement, the Board comprises Mr. Chong Tin Lung Benny (Executive Chairman and Chief Executive Officer), Mr. William Keith Jacobsen and Mr. Lam Chi Yan, all of whom are executive Directors; and Mr. Tan Boon Seng, Dr. Antonio Maria Santos and Mr. Kong To Yeung Frankie, all of whom are independent non-executive Directors.

* *For identification purposes only*