
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange and compliance with the Stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time. You should consult your licensed securities dealer, register institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed "Documents registered by the Registrar of Companies" in Appendix III to this Prospectus, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.



AUTO ITALIA HOLDINGS LIMITED

意達利控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

OPEN OFFER OF 1,729,726,130 OFFER SHARES ON THE BASIS OF ONE (1) OFFER SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE AND CHANGE OF BOARD LOT SIZE

Financial Adviser to the Company



KINGSTON CORPORATE FINANCE LTD

Underwriter to the Open Offer



KINGSTON SECURITIES LTD.

Capitalised terms used in this cover page have the same meanings as defined in this Prospectus.

The latest time for acceptance of and payment for the Offer Shares is 4:00 p.m. on Monday, 1 September 2014. The procedures for application and payment are set out on pages 13 to 14 of this Prospectus.

It should be noted that the Underwriting Agreement in respect of the Open Offer contains provisions granting the Underwriters, by notice in writing, the right at any time prior to the Latest Time for Termination to terminate the Underwriters' obligations thereunder on the occurrence of certain events. These events are set out in the section headed "Rescission and Termination of the Underwriting Agreement" on pages 7 to 8 of this Prospectus. **If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed.**

It should be noted that the Shares have been dealt with on an ex-entitlements basis commencing from Thursday, 7 August 2014 and that dealings in the Shares may take place whilst the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other persons dealing in the Shares will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her position is recommended to consult his/her own professional advisers.

* For identification purposes only

18 August 2014

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions shall have the following meanings:

“Announcement”	the announcement of the Company dated Friday, 25 July 2014 in relation to the Open Offer
“Application Form”	the form of application for use by the Qualifying Shareholders to apply for the Offer Shares
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“business day(s)”	any day (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Company”	Auto Italia Holdings Limited (意達利控股有限公司*), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company
“Excess Application Form”	the form of application for use by the Qualifying Shareholders to apply for the Offer Shares in excess of their entitlements under the Open Offer
“Group”	the Company and its subsidiaries
“Gustavo”	Gustavo International Limited, a limited liability company incorporated in the British Virgin Islands and owned as to approximately 80% by Maini Investments Limited, which is a wholly-owned subsidiary of VMSIG
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

* *for identification purposes only*

DEFINITIONS

“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Irrevocable Undertakings”	the irrevocable undertaking dated 25 July 2014 executed by each of VMSIG and Gustavo, pursuant to which VMSIG and Gustavo respectively undertakes to subscribe for or procure the subscription of certain Offer Shares and/or excess Offer Shares (as the case may be) as described in the paragraph headed “Irrevocable Undertakings” in this Prospectus
“Last Trading Day”	Friday, 25 July 2014, being the last trading day of the Shares immediately preceding the date of the Announcement
“Latest Time for Acceptance”	4:00 p.m. on Monday, 1 September 2014 or such other date and/or time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the application and payment for the Offer Shares and excess Offer Shares
“Latest Practicable Date”	Wednesday, 13 August 2014, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained in this Prospectus.
“Latest Time for Termination”	4:00 p.m. on the third business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Board, after making enquiries regarding the legal restrictions under the laws of the relevant places and the requirements of the relevant overseas regulatory bodies or stock exchanges, considers it necessary or expedient to exclude them from the Open Offer
“Offer Share(s)”	the new Share(s) to be allotted and issued under the Open Offer, which will be a total of 1,729,726,130 Offer Shares

DEFINITIONS

“Open Offer”	the proposed issue of Offer Shares by the Company on the basis of one (1) Offer Share for every two (2) existing Shares at the Subscription Price, pursuant to the terms and conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Shareholder(s)”	the Shareholder(s) with registered addresses in the register of members of the Company as at the close of business on the Record Date which are outside Hong Kong
“Posting Date”	18 August 2014 or such later date as may be agreed between the Underwriter and the Company, being the date for the despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Prospectus”	this prospectus issued by the Company in relation to the Open Offer
“Prospectus Documents”	collectively, this Prospectus, the Application Form and the Excess Application Form
“Qualifying Shareholder(s)”	Shareholder(s) whose names appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	15 August 2014 or such other date as may be agreed between the Company and the Underwriter, being the date for the determination of the entitlements under the Open Offer
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	existing share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.065 per Offer Share
“Takeover Code”	The Hong Kong Code on Takeovers and Mergers

DEFINITIONS

“Underwriter” or “Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the sole underwriter of the Open Offer
“Underwriting Agreement”	the underwriting agreement dated 25 July 2014 entered into between the Company and the Underwriter in relation to the Open Offer
“Underwritten Shares”	929,634,443 Offer Shares (assuming no new Shares being issued and no Shares being repurchased by the Company on or before the Record Date), being all Offer Shares less such number of Offer Shares which VMSIG and Gustavo undertake to take up its entitlement under the Open Offer and such number of excess Offer Shares which VMSIG undertakes to take up
“VMSIG”	VMS Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“%”	per cent.

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Open Offer and it has been prepared on the assumption that all the conditions of the Open Offer will be fulfilled and/or waived (where appropriate).

2014

Hong Kong Time

Latest time for acceptance of application and payment for the Offer Shares and the excess Offer Shares	4:00 p.m. on Monday, 1 September
Latest Time for Termination of the Underwriting Agreement	4:00 p.m. on Thursday, 4 September
Announcement of results of the Open Offer on the website of the Stock Exchange	Monday, 8 September
Share certificates for the Offer Shares (including excess Offer Shares) and refund cheques to be despatched on or before	Wednesday, 10 September
Dealings in fully paid Offer Shares commence on the Stock Exchange	Thursday, 11 September
Effective date of change of board lot size from 12,500 Shares to 25,000 Shares	Thursday, 11 September
Designated broker starts to stand in the market to provide matching services	Thursday, 11 September
Last day for the designated broker to stand in the market to provide matching services	Friday, 3 October

Dates stated in this timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Open Offer will be announced by the Company as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

All times stated in this Prospectus refer to Hong Kong time. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Monday, 1 September 2014, being the date of the Latest Time for Acceptance:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same business day; or
- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be postponed to 4:00 p.m. on the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Monday, 1 September 2014, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

RESCISSION AND TERMINATION OF UNDERWRITING AGREEMENT

If any time prior to the Latest Time for Termination:

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter are likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or

RESCISSION AND TERMINATION OF UNDERWRITING AGREEMENT

- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (8) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled, by notice in writing to the Company served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings by the Company contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter,

any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed.



AUTO ITALIA HOLDINGS LIMITED
意達利控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

Executive Directors:

Mr. Chong Tin Lung Benny
(Executive Chairman and Chief Executive Officer)
Mr. William Keith Jacobsen
Mr. Lam Chi Yan

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Independent non-executive Directors:

Mr. Tan Boon Seng
Dr. Antonio Maria Santos
Mr. Kong To Yeung Frankie

*Principal place of business
in Hong Kong:*

Unit C, 1/F.
2 Yuen Shun Circuit
Shatin, New Territories
Hong Kong

18 August 2014

*To the Qualifying Shareholders, and for information only,
the Non-Qualifying Shareholders*

Dear Sir or Madam,

**OPEN OFFER OF 1,729,726,130 OFFER SHARES
ON THE BASIS OF ONE (1) OFFER SHARE
FOR EVERY TWO (2) EXISTING SHARES HELD
ON THE RECORD DATE
AND
CHANGE OF BOARD LOT SIZE**

INTRODUCTION

On 25 July 2014, the Board announced that the Company proposed to raise approximately HK\$112.4 million before expenses by issuing 1,729,726,130 Offer Shares at the Subscription Price of HK\$0.065 per Offer Share on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date and payable in full on application.

* For identification purposes only

LETTER FROM THE BOARD

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to fully underwrite all the Offer Shares which are not taken up by the Qualifying Shareholders pursuant to their assured entitlements under the Open Offer and not validly applied for by excess applications. The Open Offer is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders. Qualifying Shareholders may apply for entitlements of the Non-Qualifying Shareholders and any Offer Shares entitled but not applied for by the Qualifying Shareholders.

The purpose of this Prospectus is to provide you with, among others, further information regarding the Open Offer, including information on dealings in and application for Offer Shares, and financial and other information of the Group.

THE OPEN OFFER

Issue statistics

Basis of the Open Offer	:	One (1) Offer Share for every two (2) existing Shares held on the Record Date
Number of existing Shares in issue	:	3,459,452,260 Shares as at the Record Date and the Latest Practicable Date
Number of Offer Shares to be issued	:	1,729,726,130 Offer Shares
Aggregate nominal value of the Offer Shares	:	Approximately HK\$34.6 million
Subscription Price	:	HK\$0.065 per Offer Share payable in full on application
Funds to be raised before expenses	:	Approximately HK\$112.4 million
Number of Offer Shares undertaken to be taken up by VMSIG and Gustavo pursuant to the Irrevocable Undertakings	:	352,385,022 Offer Shares
Maximum number of excess Offer Shares undertaken to be applied for by VMSIG pursuant to the Irrevocable Undertakings	:	447,706,665 Offer Shares

LETTER FROM THE BOARD

Number of Offer Shares underwritten by the Underwriter	:	All of the Offer Shares (other than the Offer Shares and maximum excess Offer Shares to be taken up by VMSIG and Gustavo under the Irrevocable Undertakings), being 929,634,443 Offer Shares
Number of Shares in issue immediately after completion of Open Offer (assuming no new Shares being issued and no Shares being repurchased by the Company upon completion of the Open Offer)	:	5,189,178,390 Shares

As at the Latest Practicable Date, the Company does not have outstanding derivatives, options, warrants or securities in issue which are convertible or exchangeable into Shares.

The Open Offer is not subject to any Shareholders' approval and the Offer Shares are not issued under the general mandate granted to the Directors.

Under the Open Offer, 1,729,726,130 Offer Shares will be issued pursuant to the terms of the Open Offer which represent (i) 50% of the Company's existing issued shares of 3,459,452,260 Shares; and (ii) approximately 33.33% of the enlarged issued share capital of the Company comprising 5,189,178,390 Shares immediately following the completion of the Open Offer.

Subscription Price

The Subscription Price of HK\$0.065 per Offer Share will be payable in full upon application for the Offer Shares under the Open Offer. The Subscription Price represents:

- (a) a discount of approximately 39.81% to the closing price of HK\$0.108 per Share as quoted on the Stock Exchange on the date of the Underwriting Agreement and on the Last Trading Day;
- (b) a discount of approximately 38.09% to the average of the closing prices of HK\$0.105 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 30.85% to the theoretical ex-entitlement price of approximately HK\$0.094 per Share as adjusted for the effects of the Open Offer, based on the closing price of HK\$0.108 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (d) a discount of approximately 23.53% to the closing price of HK\$0.085 as quoted on the Stock Exchange on the Latest Practicable Date; and

LETTER FROM THE BOARD

- (e) a premium of approximately 51.16% over the audited consolidated net asset value per Share of approximately HK\$0.043 based on the latest audited consolidated net asset value attributable to owners of the Company as at 31 December 2013 and the Shares in issue as at the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter. Taking into account (i) the market price of the Shares was on a declining trend in the past twelve months; (ii) the trading liquidity of the Shares under the relatively uncertain market sentiments in the equity market; and (iii) the recent financial conditions of the Group which recorded a loss of approximately HK\$55.7 million for the year ended 31 December 2013, the Directors (including the independent non-executive Directors) consider the terms of the Open Offer, including the determination of the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Open Offer offers each Qualifying Shareholder the opportunity to maintain its respective pro rata shareholdings in the Company as well as an opportunity to apply for additional Shares (if they so wish) by way of application for excess Offer Shares, and enable them to participate in the future growth of the Group. The net price (after deducting the relevant expenses) per Offer Share will be approximately HK\$0.0636.

Qualifying Shareholders

The Open Offer will only be available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus, but without the Application Form and the Excess Application Form, to the Non-Qualifying Shareholders for information only.

To be qualified for the Open Offer, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date, and not be a Non-Qualifying Shareholder.

The invitation to apply for the Offer Shares to be made to the Qualifying Shareholders will not be transferable or capable of renunciation and there will not be any trading of entitlements of the Offer Shares on the Stock Exchange.

Fractions of the Offer Shares

Fractions of Offer Shares shall not be allotted and entitlements shall be rounded down to the nearest whole number. Offer Shares representing the aggregate of fractions of Offer Shares shall be first taken up by the Qualifying Shareholders who have applied for the excess Offer Shares and then by the Underwriter if there is any excess Offer Shares which have not been taken up by the Qualifying Shareholders.

LETTER FROM THE BOARD

Status of the Offer Shares

The Offer Shares when allotted, issued and fully paid, shall rank pari passu in all respects with the then existing Shares in issue on the date of allotment and issue of the Offer Shares, including the right to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Procedure for application and payment

For each Qualifying Shareholder, an Application Form is enclosed with this Prospectus which entitles you to subscribe for the number of the Offer Shares shown therein.

If you as a Qualifying Shareholder wishes to exercise your right to subscribe for all number of the Offer Shares offered to you as specified in the Application Form or to exercise your rights to subscribe for any number less than your entitlement under the Open Offer, you must sign and lodge the Application Form in accordance with the instructions printed thereon, together with a remittance for the full amount payable in respect of such number of Offer Share you have subscribed for, with the Company's branch share registrar in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Monday, 1 September 2014 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed "Expected timetable" in this Prospectus). All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**AUTO ITALIA HOLDINGS LIMITED — OPEN OFFER ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**".

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, has been lodged with the Company's branch share registrar in Hong Kong by no later than 4:00 p.m. on Monday, 1 September 2014 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed "Expected timetable" in this Prospectus), the Application Form and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Offer Shares will be available for application by the Qualifying Shareholders through the Excess Application Form. The Application Form contains full information regarding the procedures to be followed for acceptance of the whole or part of your assured entitlement of the Offer Shares.

All cheques and banker's cashier orders will be presented for payment immediately following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgment of the Application Form together with a cheque or banker's cashier order in payment of the Offer Shares being applied for will constitute a warranty that the cheque or banker's cashier order will be honoured upon first presentation. Any Application Form in respect of which the accompanying cheque or banker's cashier order is dishonoured on first presentation is liable to be rejected, and in that event the relevant assured entitlement of Offer Shares and all rights thereunder will be deemed to have been declined and will be cancelled.

LETTER FROM THE BOARD

The Application Form is for use only by the Qualifying Shareholders and is not transferable. No receipt will be issued in respect of any application monies received. If the Underwriting Agreement is terminated before the Latest Time for Termination, the Open Offer will not proceed and the monies received in respect of acceptances of the Offer Shares without interest will be returned to the Qualifying Shareholders, by means of cheques crossed “**ACCOUNT PAYEE ONLY**” to be despatched by ordinary post to their registered addresses and in the case of joint applicants to the registered address of the applicant whose name first appears on the register of members of the Company at their own risk on or before Wednesday, 10 September 2014.

Application for excess Offer Shares

The Offer Shares to which the Non-Qualifying Shareholders would otherwise have been entitled, any assured allotments of Offer Shares which have not been accepted by Qualifying Shareholders, and Offer Shares created by aggregation of fractional Offer Shares, will be available for excess application by the Qualifying Shareholders. If you as a Qualifying Shareholder wish to apply for any Offer Shares in addition to your assured entitlement indicated on the Application Form enclosed with this Prospectus, you must complete and sign the enclosed Excess Application Form in accordance with the instructions printed thereon and lodge it, together with a separate remittance for the full amount payable on application in respect of the excess Offer Shares applied for, with the Company’s branch share registrar in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong by no later than 4:00 p.m. on Monday, 1 September 2014 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed “Expected timetable” in this Prospectus). The Excess Application Form is for use only by the person(s) named therein and is not transferable. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or banker’s cashier orders must be issued by, a licensed bank in Hong Kong and made payable to “**AUTO ITALIA HOLDINGS LIMITED — EXCESS APPLICATION ACCOUNT**” and crossed “**ACCOUNT PAYEE ONLY**”.

The Directors will allocate the excess Offer Shares (if any) in excess of assured entitlement at their discretion, but on a fair and equitable basis, to Qualifying Shareholders who have applied for excess Offer Shares on a pro-rata basis with reference to the number of excess Offer Shares applied for but no reference will be made to Offer Shares comprised in applications by Application Forms or the existing number of Shares held by Qualifying Shareholders. In order to allocate the excess Offer Shares on a fair and reasonable basis and to avoid the chances for applicants to abuse the top up odd lots mechanism, no preference will be given to topping-up odd lots to whole board lots. Any Offer Shares not applied for by the Qualifying Shareholders and not taken by excess application will be taken up by the Underwriter. The Directors consider that a pro rata allocation of excess Offer Shares is the fairest method for allocation of excess Offer Share among Qualifying Shareholders by treating their application equally and without preference. Accordingly, the Directors consider that this allocation basis is fair and equitable.

LETTER FROM THE BOARD

All cheques and banker's cashier orders will be presented for payment immediately following receipt and all interest earned on such monies shall be retained for the benefit of the Company. Any Excess Application Form in respect of which the accompanying cheque or banker's cashier order is dishonored on first presentation is liable to be rejected and cancelled. In the event of overpaid application, a refund cheque will be made out to the Qualifying Shareholder only if the overpaid amount is HK\$100 or above.

If no excess Offer Shares are allotted to the Qualifying Shareholders, it is expected that a cheque for the full amount tendered on application for the excess Offer Shares without interest will be posted to the Qualifying Shareholder's address on the register of member of the Company by ordinary post at his/her/its/their own risk on or before Wednesday, 10 September 2014. If the number of excess Offer Shares allotted to the Qualifying Shareholders is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be posted to the Qualifying Shareholder's address on the register of members of the Company by ordinary post at his/her/its/their own risk on or before Wednesday, 10 September 2014.

Shareholders with their Shares held by a nominee company (or which are deposited into the CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the above arrangement in relation to allocation of excess Offer Shares will not be extended to beneficial owners individually. The Shareholders with their Shares held by a nominee company (or which are deposited into CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date. Excess application from Qualifying Shareholders (including registered nominee company) will be accepted by the Company even if their assured entitlement of the Offer Shares is not subscribed for in full.

If the Underwriting Agreement is terminated before the Latest Time for Termination, the Open Offer will not proceed and the monies received in respect of applications for excess Offer Shares without interest will be returned to the Qualifying Shareholders by means of cheques crossed "ACCOUNT PAYEE ONLY" to be despatched by ordinary post to their registered addresses at their own risk on or before Wednesday, 10 September 2014.

Application for listing

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares will be subject to the payment of stamp duty, Stock Exchange trading fee and any other applicable fees and charges in Hong Kong.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought.

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Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Dealings in the Offer Shares on the Stock Exchange may be settled through CCASS. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interest.

All necessary arrangements will be made to enable the Offer Shares in their fully paid form to be admitted into CCASS. The first day of dealings in the Offer Shares is expected to commence on Thursday, 11 September 2014.

Share certificates for the Offer Shares and refund cheques

Subject to the fulfillment of the conditions of the Open Offer as set out in the section headed “Conditions of the Open Offer” below, share certificates for all fully paid Offer Shares are expected to be posted on or before Wednesday, 10 September 2014 by ordinary post to the Qualifying Shareholders who have validly accepted and (where applicable) applied for, and paid for the Offer Shares at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares are also expected to be posted on or before Wednesday, 10 September 2014 by ordinary post at their own risk.

Overseas Shareholders and Non-Qualifying Shareholders

The Prospectus Documents are not intended to be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than Hong Kong.

Based on the register of members of the Company as at the Latest Practicable Date, the Company identified 14 Overseas Shareholders with addresses in Singapore, Macau, Malaysia, Taiwan and Canada.

The Directors have, in compliance with Rule 13.36(2)(a) of the Listing Rules, made enquiries regarding the legal restrictions under the laws of Singapore, Macau, Malaysia, Taiwan and Canada (the “**Relevant Jurisdictions**”) and the requirements of the respective regulatory bodies or stock exchanges of the Relevant Jurisdictions with respect to the offer of Offer Shares and excess Offer Shares to such Overseas Shareholders.

Based on the advice of the relevant foreign legal advisers, the Directors are of the view that (i) it is inexpedient to extend the Open Offer to the Overseas Shareholders in Canada, due to the time and uncertainty involved in obtaining the confirmation of acceptance with the relevant securities regulator in this jurisdiction in order to comply with the applicable legal or regulatory requirements if the Open Offer is to be lawfully made to such Overseas Shareholders; (ii) it is expedient to extend the Open Offer to the Overseas Shareholders in Macau, Taiwan and Singapore as there are no legal restrictions prohibiting the Open Offer

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in these jurisdictions and no local legal or regulatory compliance is required to be made in these jurisdictions; and (iii) it is expedient to extend the Open Offer to the Overseas Shareholders in Malaysia as there are no legal restriction prohibiting the Open Offer in this jurisdiction and only minimum regulatory compliance is required to be made in Malaysia.

Accordingly, the Company will not extend the Open Offer to the Overseas Shareholders in Canada. The Company will send copies of this prospectus to the Non-Qualifying Shareholders for their information only, but will not send Application Form and Excess Application Form to them.

It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Offer Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Offer Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of the offer of the Offer Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Offer Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

The Offer Shares to which the Non-Qualifying Shareholders would otherwise have been entitled will be available for excess application by Qualifying Shareholders. Any Offer Shares not applied for by the Qualifying Shareholders and not taken by excess application will be taken by the Underwriter.

Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date: 25 July 2014

Issuer: The Company

Underwriter: Kingston Securities

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its associates are Independent Third Parties

Number of Offer Shares: 1,729,726,130 Offer Shares

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Number of Underwritten Shares: 929,634,443 Offer Shares

Commission: 2.0% of the aggregate Subscription Price in respect of the Underwritten Shares (being the 1,729,726,130 Offer Shares less (i) 352,385,022 Offer Shares which VMSIG and Gustavo undertake to subscribe for and (ii) a maximum of 447,706,665 excess Offer Shares which VMSIG undertakes to subscribe for subject to the undertaking described in the paragraph headed “Irrevocable Undertakings” below)

The commission rate was determined between the Company and the Underwriter by reference to the market rate. The Directors (including the independent non-executive Directors) consider the terms of the Underwriting Agreement including the commission rate to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Irrevocable Undertakings

As at the Latest Practicable Date, VMSIG was deemed to be interested in an aggregate of 704,770,045 Shares, representing approximately 20.37% of the issued share capital of the Company, of which 501,620,045 Shares were held by VMSIG and 203,150,000 Shares were held by Gustavo (a company owned as to approximately 80% by Maini Investments Limited, a wholly-owned subsidiary of VMSIG). Pursuant to the Irrevocable Undertakings, each of VMSIG and Gustavo has irrevocably undertaken to: (a) subscribe for and procure the subscription for 250,810,022 Offer Shares and 101,575,000 Offer Shares respectively, being their respective full entitlements to the Offer Shares in respect of the Shares which are registered in its name on the date of the Underwriting Agreement; and (b) remain as the registered owner of the Shares respectively owned by them in the same name from the date of the Irrevocable Undertakings up to and including the Latest Time for Acceptance. Furthermore, pursuant to the Irrevocable Undertakings, VMSIG has also irrevocably undertaken to procure Gustavo to subscribe for 101,575,000 Offer Shares and to apply and subscribe for and procure the subscription for a maximum of 447,706,665 excess Offer Shares.

Save for the Irrevocable Undertakings, as at the Latest Practicable Date, the Board has not received any information or irrevocable undertakings from the substantial Shareholders of their intention to take up the Offer Shares under the Open Offer.

Rescission and termination of the Underwriting Agreement

If any time prior to the Latest Time for Termination:

- (1) in the absolute opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:

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- (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (2) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Underwriter are likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
 - (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
 - (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
 - (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
 - (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Open Offer; or

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- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (8) any moratorium, suspension or material restriction on trading of the Shares on the Stock Exchange due to exceptional financial circumstances or otherwise,

the Underwriter shall be entitled, by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings by the Company contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter,

any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed.

CONDITIONS OF THE OPEN OFFER

The obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (1) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively not later than the Posting Date one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolutions of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (2) the posting of the Prospectus Documents to the Qualifying Shareholders and, if required by or in compliance with the Listing Rules, the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purpose only on or before the Posting Date;

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- (3) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked, listing of and permission to deal in the Offer Shares by no later than the first day of their dealings on the Stock Exchange;
- (4) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms hereof at or before the Latest Time for Termination;
- (5) the compliance with and performance of all the undertakings and obligations of each of VMSIG and Gustavo under the Irrevocable Undertakings;
- (6) the compliance with and performance of all the undertakings and obligations of the Company under the Underwriting Agreement and the representations and warranties given by the Company under the Underwriting Agreement remaining true, correct and not misleading in all material respects; and
- (7) there being no event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material, occurring prior to the Latest Time for Termination.

The conditions of the Open Offer (other than condition (6) which can only be waived by the Underwriter) are incapable of being waived. If the conditions are not satisfied in whole (or waived where applicable) by the Latest Time for Termination or such other date as the Company and the Underwriter may agree in writing, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

PROFESSIONAL TAX ADVICE RECOMMENDED

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Offer Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Offer Shares. It is emphasized that none of the Company, the Directors nor any other parties involved in the Open Offer accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Offer Shares.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE OPEN OFFER

The shareholding structure of the Company (i) as at the date of the Latest Practicable Date; (ii) immediately after completion of the Open Offer (assuming all Qualifying Shareholders fully take up their respective entitlements); and (iii) immediately after completion of the Open Offer (assuming none of the Qualifying Shareholders (save and except VMSIG and Gustavo) fully take up their respective entitlements and VMSIG subscribes for a maximum of 447,706,665 excess Offer Shares) is set out below:

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	As at the Latest Practicable Date		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders fully take up their respective entitlement)		Immediately after completion of the Open Offer (assuming none of the Qualifying Shareholders (save and except VMSIG and Gustavo) fully take up their respective entitlements and VMSIG subscribes for a maximum of 447,706,665 excess Offer Shares)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
VMSIG and parties acting in concert (<i>Note 1</i>)	704,770,045	20.37	1,057,155,067	20.37	1,504,861,732	29.00
Mr. Tan Boon Seng (<i>Note 2</i>)	1,020,000	0.03	1,530,000	0.03	1,020,000	0.02
The Underwriter	—	—	—	—	929,634,443	17.91
Public Shareholders	<u>2,753,662,215</u>	<u>79.60</u>	<u>4,130,493,323</u>	<u>79.60</u>	<u>2,753,662,215</u>	<u>53.07</u>
Total	<u>3,459,452,260</u>	<u>100.00</u>	<u>5,189,178,390</u>	<u>100.00</u>	<u>5,189,178,390</u>	<u>100.00</u>

Notes:

- VMSIG and parties acting in concert with it are interested in an aggregate of 704,770,045 Shares, of which 501,620,045 Shares are held by VMSIG and 203,150,000 Shares are held by Gustavo.
- Mr. Tan Boon Seng is an independent non-executive Director. Mr. Tan Boon Seng has confirmed that he would not take up the Offer Shares and apply for excess Offer Shares.

FUND-RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

It was announced by the Company on 7 March 2014 that it has entered into a placing agreement with a placing agent, on a fully underwritten basis, to place 500,000,000 new Shares. The net proceeds from the placing in the amount of approximately HK\$60.83 million were used as general working capital of the Group for purchase of inventories, rental expenses and other operation expenses of approximately HK\$42 million, HK\$15 million and HK\$4 million respectively. The placing was completed on 20 March 2014.

Saved as disclosed above, the Company has not conducted any fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Group is principally engaged in the import, distribution and provision of after-sales service of Italian “Ferrari” and “Maserati” branded cars in Hong Kong and Macau as well as the provision of pre-delivery inspection service in Shanghai, the PRC.

Having considered other fund raising alternatives for the Group, such as bank borrowings and placing of new Shares, and taking into account the benefits and cost of each of the alternatives, the Open Offer allows the Group to strengthen its balance sheet without facing the increasing interest rates and enlarge the capital base of the Company, which may

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facilitate long-term development of the Group. The Board has also considered rights issue as an alternative means of fund raising before resolving to the Open Offer which a rights issue is similar to an open offer except that it enabled the Shareholders to trade in nil-paid rights. Having considered and balanced against the extra administrative work and additional cost which will be involved for the trading arrangement in relation to the nil-paid rights, the Directors are of the view that raising funds by way of the Open Offer is more cost effective and efficient as compared with a rights issue. The Board is of the view that it is in the interest of the Company and the Shareholders as a whole to raise the capital through the Open Offer since it offers the Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company as well as an opportunity to apply for additional Shares (if they so wish) by way of application for excess Offer Shares, and continue to participate in the future growth and development of the Group should they wish to do so.

In view of the above, the Directors (including the independent non-executive Directors) consider the Open Offer is in the interests of the Company and the Shareholders as a whole.

The gross proceeds of the Open Offer (before expenses) are approximately HK\$112.4 million. The estimated net proceeds of the Open Offer (after deducting the costs and expenses in relation to the Open Offer and the underwriting commission fees) are expected to be approximately HK\$110 million. The Company intends to apply such net proceeds from the Open Offer for (i) as to approximately HK\$35 million for repayment of its current outstanding bank loans; (ii) as to approximately HK\$37 million for expansion of its existing business; (iii) as to approximately HK\$28 million for future investments in properties as and when opportunities arise which the current target is focusing on commercial properties in certain redeveloping towns and/or developing districts in Hong Kong; and (iv) any remaining net proceeds will be for the general working capital of the Group for supporting the expansion of the groups' operation in different aspect such as after-sales service facilities and showroom in Hong Kong and/or short term investments such as short term marketable and liquid securities and bonds which are expected to have a better interest return as compared with bank deposits.

As of 31 July 2014, the Group had cash at bank (excluding restricted bank deposits and balances) of approximately HK\$81 million and outstanding bank borrowings of approximately HK\$123.0 million, which are repayable within 12 months and bearing interest rates ranging from prime rate/HIBOR minus 0.25% to plus 3.25% per annum. After applying approximately HK\$35 million of the net proceeds from the Open Offer, the Group intends to repay the remaining balance of the bank borrowings by (i) cash generated from its operating activities; and/or (ii) renewal of its existing banking facilities on maturities.

CHANGE OF BOARD LOT SIZE

The Shares are currently traded in board lots of 12,500 Shares each and the market value of each board lot is HK\$1,350 (based on the closing price of HK\$0.108 per Share as quoted on the Stock Exchange on the Last Trading Day). In order to increase the value of

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each board lot of the Shares, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to change the board lot size for trading of the Shares from 12,500 Shares to 25,000 Shares with effect from Thursday, 11 September 2014. Based on the closing price of the Shares on the Latest Practicable Date of HK\$0.085, the new estimated board lot value would be approximately HK\$2,125. The change in board lot size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, the Company has appointed Kingston Securities as an agent to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Thursday, 11 September 2014 to 4:00 p.m. on Friday, 3 October 2014 (both days inclusive). Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their broker contact Ms. Rosita Kiu of Kingston Securities at Suite 2801, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong (telephone: (852) 2298 6215 and facsimile: (852) 2295 0682) during such period. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

All existing share certificates in board lot of 12,500 Shares will continue to be evidence of entitlement to the Shares and be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the change in board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 12,500 Shares to new share certificates in board lot size of 25,000 Shares is necessary. With effect from Thursday, 11 September 2014, the Shares (including the Offer Shares to be issued under the Open Offer) will be traded in board lot of 25,000 Shares and any new certificate of the Shares will be issued in new board lot size of 25,000 Shares (except for odd lots or where the Shareholder(s) otherwise instruct(s)). Save and except for the change in the number of Shares for each board lot, new certificates of Shares will have the same format and colour as the existing certificates of Shares.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Following the completion of the disposal of its non-car business (i.e. its electrical appliances, fashion apparels, accessories and motor yacht business) on 30 December 2013, the Group has re-assessed its existing business strategies in import, distribution and after-sales service of Ferrari and Maserati cars in Hong Kong, Macau and Nanjing, the PRC, and its pre-delivery inspection service in Shanghai, the PRC. Subsequent to the strategic review, the Board has decided to close down its Nanjing dealership business in the second half of 2014, as the sales performance of it was not satisfactory and suffered heavy operating losses in the past five years. The strategic repositioning offers a good opportunity for the Group to redeploy its resources into the profitable premium car distribution business which is

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expected to help strengthen this business segment and create value for our Shareholders. As such, the Group will focus continuously on the business of import, distribution and after-sales service of Ferrari and Maserati cars in Hong Kong and Macau as well as the pre-delivery inspection service in Shanghai, the PRC.

To increase the overall service capacity and efficiency, the Group will set up a new after-sales service facility together with a new car pre-delivery inspection center in New Territories which consists of over 60,000 square feet and will commence to provide comprehensive body and paint services in 2015. It is expected that the new set up will increase the overall service capacity by 100% as compared to the current service capacity. The existing facility in Shatin will also be renovated to further increase the overall capacity for its mechanical services. Furthermore, a new Maserati showroom will be set up in 2015, which will be the first Maserati showroom of the Company in the Kowloon area. The total estimated cost for setting up the new facilities and expansion of existing facilities would be approximately HK\$37 million. Our objective is always to ensure high customer satisfaction which is today's key to success in the service sector.

Looking forward, the Group's order portfolio for Ferrari continues to remain strong with the 458 Speciale and the new California T with an average overall lead-time of just under a year, whilst the profile of Maserati will continue to broaden. Both brands are introducing exciting new models, includes Ferrari's next 'Supercar', the LaFerrari and the 458 limited production Speciale Spider, Maserati new Sport Utility Vehicle, Levante and the Alfieri in the coming years to further expand their market dominance and targeting for new clients.

WARNING OF THE RISKS OF DEALING IN THE SHARES

The Open Offer is conditional upon, inter alia, the fulfillment of the conditions set out under the paragraph headed "Conditions of the Open Offer" under the section headed "Underwriting arrangement" above. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms thereof (a summary of which is set out under the paragraph headed "Rescission and Termination of the Underwriting Agreement" under the section headed "Underwriting arrangement" above). Accordingly, the Open Offer may or may not proceed.

Any dealing in the Shares from the date of this Prospectus up to the date on which all the conditions of the Open Offer are fulfilled bear the risk that the Open Offer may not become unconditional or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in doubt about their position, they should consult their professional advisers.

LISTING RULES IMPLICATIONS

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within 12 month period immediately preceding the date of the Announcement, pursuant to Rule 7.24(5) of the Listing Rules, the Open Offer itself is not subject to the Shareholders' approval.

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Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation of its securities. The Directors are aware that the Shares are trading at a price of below HK\$0.10 as at the Latest Practicable Date. The Directors will continue to closely monitor the trading price of the Shares and, when necessary, propose a share consolidation or carry out appropriate actions to comply with the trading requirement according to Rule 13.64 of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
For and on behalf of the Board of
Auto Italia Holdings Limited
Chong Tin Lung Benny
Executive Chairman and Chief Executive Officer

FINANCIAL INFORMATION

The financial information of the Group for each of the three financial years ended 31 December 2011, 2012 and 2013 were disclosed in the annual reports of the Company for the years ended 31 December 2011 (pages 48 to 196), 2012 (pages 52 to 162) and 2013 (pages 53 to 155). The aforementioned financial information of the Group has been published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.autoitalia.com.hk).

INDEBTEDNESS

At the close of business on 31 July 2014, being the latest practicable date for preparing this indebtedness statement prior to the printing of this Prospectus, the Group had outstanding guaranteed bank and other borrowings of approximately HK\$131.99 million including trust receipt loans, which were secured by fixed charges on certain of the Group's assets, including inventories, bank deposits and investment properties. In addition, the Group had outstanding obligations under finance leases of approximately HK\$0.28 million, which were secured by charges over the Group's motor vehicles.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 31 July 2014 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that, after taking into account the Group's existing cash and bank balances, the available credit facilities, the expected internally generated funds from ordinary business operations and the net proceeds from the Open Offer, the Group will have sufficient working capital to satisfy the requirements for at least the next 12 months following the date of this Prospectus.

MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position or prospects of the Group since 31 December 2013 (being the date to which the latest published audited financial statements of the Group were made up) up to and including the Latest Practicable Date.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma net tangible assets of the Group (the “Unaudited Pro Forma Financial Information”) prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effect of the Open Offer to the consolidated net tangible assets of the Group attributable to owners of the Company as if the Open Offer had been completed on 31 December 2013.

The Unaudited Pro Forma Financial Information has been prepared for illustration purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group attributable to owners of the Company following the completion of the Open Offer as at 31 December 2013 or at any future date.

Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2013 <i>HK\$'000</i> <i>(note 2)</i>	Add: Estimated net proceeds from the Open Offer <i>HK\$'000</i> <i>(note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company upon completion of the Open Offer <i>HK\$'000</i>	Audited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2013 <i>HK\$</i> <i>(note 4)</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Open Offer <i>HK\$</i> <i>(note 5)</i>
Based on				
1,729,726,130				
Offer Shares				
<i>(Note 1)</i> to be issued at a subscription price of HK\$0.065 per Offer Share				
<u>146,386</u>	<u>110,013</u>	<u>256,399</u>	<u>0.05</u>	<u>0.05</u>

notes:

- (1) The Open Offer of 1,729,726,130 Offer Shares is based on one Offer Share for every two existing Shares of 3,459,452,260 Shares in issue on the Record Date.
- (2) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2013 is extracted from the published annual report of the Group for the financial year ended 31 December 2013, which is based on the audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2013 of approximately HK\$148.9 million, with an adjustment for the goodwill of approximately HK\$2.5 million.
- (3) The estimated net proceeds from the Open Offer are based on 1,729,726,130 Offer Shares to be issued at the subscription price of HK\$0.065 per Offer Share. The estimated net proceeds from the Open Offer are derived from the gross proceeds of approximately HK\$112.4 million after deduction of the estimated underwriting fee and other related expenses directly attributable to the Open Offer of approximately HK\$2.4 million.
- (4) The audited consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2013 is based on 2,959,452,260 Shares in issue as at 31 December 2013.
- (5) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is based on 4,689,178,390 Shares, comprising 2,959,452,260 Shares in issue as at 31 December 2013 and 1,729,726,130 Offer Shares assuming the Open Offer had been completed on 31 December 2013.
- (6) No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company to reflect any trading results or other transactions (including the placing of shares of the Company completed on 20 March 2014) of the Group entered into subsequent to 31 December 2013.

B. REPORT ON THE UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the text of a report received from the reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this prospectus.



INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF AUTO ITALIA HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Auto Italia Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consisted of the pro forma statement of adjusted net tangible assets as at 31 December 2013 and related notes as set out in Section A of Appendix II to the prospectus issued by the Company dated 18 August 2014 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Section A of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the open offer of 1,729,726,130 new shares to be issued by the Company at a subscription price of HK\$0.065 per offer share (the "Open Offer") on the Group's net tangible assets as at 31 December 2013 as if the Open Offer had taken place at 31 December 2013. As part of this process, information about the Group's net tangible assets has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2013, on which an audit report has been published.

DIRECTORS' RESPONSIBILITIES FOR THE PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

REPORTING ACCOUNTANT'S RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2013 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
18 August 2014

(1) RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

(2) SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date were and immediately after completion of the Open Offer will be as follows:

<i>Authorised share capital as at the Latest Practicable Date:</i>		<i>HK\$</i>
<u>17,500,000,000</u>	Shares	<u>350,000,000</u>
<i>Issued, to be issued and fully paid or credited as fully paid up:</i>		
3,459,452,260	Shares as at the Latest Practicable Date	69,189,045.2
<u>1,729,726,130</u>	Offer Shares to be issued immediately after completion of the Open Offer	<u>34,594,522.6</u>
<u>5,189,178,390</u>	Shares following the completion of the Open Offer	<u>103,783,567.8</u>

As at the Latest Practicable Date, the Company has no derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

All existing Shares rank equally in all respects, including in particular as to dividend, voting rights and return on capital.

The Offer Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the then existing Shares in issue on the date of allotment of the Offer Shares. Holders of such Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid with a record date which falls on or after the date of allotment and issue of the Offer Shares.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought.

There has been no alteration to the authorised and issued share capital of the Company since the end of the last financial year of the Company, being 31 December 2013, up to the Latest Practicable Date.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, no share or loan capital of the Company or any of its subsidiaries had been put under option or agreed conditionally or unconditionally to be put under option.

(3) DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests or short positions in the Shares, underlying Shares and debentures of the Company and associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company and each of their respective associates, in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

Long Position in the Shares

Name of Director	Personal interests	Name of Shares			Total	Approximate % of shareholdings
		Family interests	Corporate interests			
Mr. Tan Boon Seng	1,020,000	—	—	1,020,000	0.03	

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (b) are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) are required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders

Save as disclosed below, so far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, the following persons, other than a Director or chief executive of the Company, had or were deemed to have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to

the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group, or held any option in respect of such capital:

Long position in the Shares

Name of Shareholder	Capacity	Number of Shares	Approximately % of the issued share capital of the Company
Gustavo	Beneficial owner	203,150,000 <i>(Note 1)</i>	5.87%
Maini Investments Limited	Interest of corporation controlled	203,150,000 <i>(Note 1)</i>	5.87%
VMSIG	Beneficial owner/Interest of corporation controlled	704,770,045 <i>(Note 2)</i>	20.37%
Ms. Mak Siu Hang Viola	Interest of corporation controlled	704,770,045 <i>(Note 2)</i>	20.37%

Note

1. The 203,150,000 Shares are held by Gustavo which is approximately 80% owned by Maini Investments Limited, a wholly-owned subsidiary of VMSIG which is in turn wholly-owned by Ms. Mak Siu Hang Viola. The 203,150,000 Shares held by Gustavo duplicates with each of the 203,150,000 Shares held by Maini Investments Limited, VMSIG and Ms. Mak Siu Hang Viola as set out in this section. Mr. William Keith Jacobsen, an executive Director, is a director of Gustavo and Maini Investments Limited.
2. The 704,770,045 Shares are held as to 501,620,045 Shares by VMSIG (a company wholly owned by Ms. Mak Siu Hang Viola) and as to 203,150,000 Shares by Gustavo (a company owned as to approximately 80% by Maini Investments Limited which is in turn a wholly-owned subsidiary of VMSIG). Ms. Mak Siu Hang Viola is the mother of Mr. Chong Tin Leung, Benny. Mr. Chong Tin Lung Benny is the chairman of VMSIG. Mr. William Keith Jacobsen, an executive Director, is an employee of VMSIG. As at the Latest Practicable Date, Mr. Chong Tin Lung Benny and Mr. William Keith Jacobsen do not have any shareholding interest in VMSIG or its associates.

Save as disclosed above, the Directors and chief executive of the Company are not aware of any other persons (other than a director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

(4) DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract with any member of the Group which is not determinable within one year without payment of compensation other than statutory compensation.

(5) COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors, controlling Shareholders (as defined in the Listing Rules) or substantial Shareholders or any of their respective associates had an interest in a business which competes or may compete with the business of the Group or had any other conflict of interest which any such person has or may have with the Group.

(6) DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

- (a) Except for the Underwriting Agreement, no contract of significance in relation to the Group's business subsisted as at the Latest Practicable Date to which the Company or any of its subsidiaries is a party and in which a Director had a material interest, whether directly or indirectly; and
- (b) None of the Directors has or had any direct or indirect interest in any asset which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2013, being the date to which the latest published audited accounts of the Group were made up.

(7) LITIGATION

So far as the Directors are aware, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or arbitration of material importance was pending or threatened against any member of the Group as at the Latest Practicable Date.

(8) MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group within the two years preceding the Latest Practicable Date and are, or may be, material of the Group:

- (a) the placing agreement dated 11 September 2012 entered into between the Company and Freeman Securities Limited in relation to the placing of the unsecured reverse convertible notes of an aggregate principal amount of HK\$250 million to be issued by the Company and the unsecured straight bonds of an aggregate principal amount of HK\$250 million to be issued by the Company;

- (b) the supplemental agreement to the placing agreement (mentioned in paragraph (a) above) dated 24 December 2012 entered into between the Company and Freeman Securities Limited in relation to the provision of the revised arrangements for the placing of the unsecured reverse convertible notes and the unsecured straight bonds;
- (c) the termination agreement dated 28 June 2013 entered into between the Company and Freeman Securities Limited in relation to the termination of the placing agreement (mentioned in paragraph (a) above) and the supplemental agreement (mentioned in paragraph (b) above);
- (d) the agreement dated 23 October 2013 entered into between the Company (as the vendor) and Victor Glory Holdings Limited (as the purchaser) in relation to the sale of the entire issued share capital of Wo Kee Hong (B.V.I.) Limited by the Company to Victor Glory Holdings Limited for a consideration of HK\$112,574,200;
- (e) a conditional placing agreement dated 7 March 2014 entered into between the Company and Get Nice Securities Limited in relation to the placing of 500,000,000 new Shares by Get Nice Securities Limited at the plans price of HK\$0.125 per Share on a fully underwritten basis. The gross proceeds raised from the placing amount to approximately HK\$62.5 million;
- (f) the purchase agreement dated 8 July 2014 entered into between Mr. Herbert Adamczyk (as the seller) and CPLY Acquisition Corp (as the purchaser). in respect of the sale and purchase of 3,084,665 shares of common stock of China Premium Lifestyle Enterprise, Inc. owned by Mr. Herbert Adamczyk for a total consideration of US\$262,197;
- (g) the purchase agreement dated 8 July 2014 entered into between STI Wealth Management (Cayman) Limited (as the seller) and CPLY Acquisition Corp. (as the purchaser) in respect of the sale and purchase of 2,755,788 shares of common stock of China Premium Lifestyle Enterprise, Inc. owned by STI Wealth Management (Cayman) Limited for a total consideration of US\$234,242; and
- (h) the Underwriting Agreement.

(9) QUALIFICATION AND CONSENT OF EXPERT

- (a) The following is the qualification of the expert which has given opinion or advice contained in this Prospectus:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants

- (b) As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not hold any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member in the Group.
- (c) As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any direct or indirect interest in any assets, which have been, since 31 December 2013, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Group.
- (d) As at the Latest Practicable Date, Deloitte Touche Tohmatsu has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter and/or references to its name in the form and context in which they appear respectively.

(10) PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Name	Correspondence Address
Executive Directors	
Mr. Chong Tin Lung Benny (<i>Executive Chairman and Chief Executive Officer</i>)	Unit C, 1/F, 2 Yuen Shun Circuit Shatin, New Territories Hong Kong
Mr. William Keith Jacobsen	Unit C, 1/F, 2 Yuen Shun Circuit Shatin, New Territories Hong Kong
Mr. Lam Chi Yan	Unit C, 1/F, 2 Yuen Shun Circuit Shatin, New Territories Hong Kong
Independent non-executive Directors	
Mr. Tan Boon Seng	Unit C, 1/F, 2 Yuen Shun Circuit Shatin, New Territories Hong Kong
Dr. Antonio Maria Santos	Unit C, 1/F, 2 Yuen Shun Circuit Shatin, New Territories Hong Kong
Mr. Kong To Yeung Frankie	Unit C, 1/F, 2 Yuen Shun Circuit Shatin, New Territories Hong Kong

Senior management

Mr. Hon Ping Cho Terence	Unit C, 1/F, 2 Yuen Shun Circuit Shatin, New Territories Hong Kong
Mr. Herbert Adamczyk	Unit C, 1/F, 2 Yuen Shun Circuit Shatin, New Territories Hong Kong
Mr. John Brian Newman	Unit C, 1/F, 2 Yuen Shun Circuit Shatin, New Territories Hong Kong

The brief biographies of the Directors and senior management are set out below.

Executive Directors

Mr. Chong Tin Lung Benny, aged 41, was appointed as an executive Director and the vice chairman of the Company on 13 June 2013 and has been re-designated as the executive chairman and chief executive officer of the company, the chairman of each of the nomination committee, executive directors' committee and financial control committee of the Board on 24 October 2013. He is the chairman of VMSIG, a substantial Shareholder. Mr. Chong has accumulated over 18 years of experience in the financial and investments industry. VMSIG is the holding company of a group of companies principally engaged in the provision of proprietary investments, asset management, securities brokerage and corporate finance advisory services, and currently indirectly owns approximately 20.37% shareholding in the Company. Mr. Chong founded the VMS Investment Group in 2006 and is a Chartered Financial Analyst. Mr. Chong obtained a Bachelor's degree of Science in Commerce from the University of Toronto in 1994 and a Master's degree of Science in Financial Engineering from the Hong Kong University of Science and Technology in 2000.

Mr. William Keith Jacobsen, aged 47, has been an executive Director since January 2012. He is the managing director, corporate finance of VMS Securities Limited and has more than 19 years of experience in corporate finance and business development. Mr. Jacobsen is a director of Gustavo and Maini Investments Limited, both are private companies. He is also an independent non-executive director of Hycomm Wireless Limited (Stock code: 499), China Financial Leasing Group Limited (Stock code: 2312), Perception Digital Holdings Limited (Stock code: 1822) and Sustainable Forest Holdings Limited (Stock code: 723), all companies are listed on the Main Board of the Stock Exchange and abc Multiactive Limited (Stock code: 8131), a company listed on the Growth Enterprise Market of the Stock Exchange. He was also an independent non-executive director of King Stone Energy Group Limited (Stock code: 663), a company listed on the Stock Exchange, for the period from 26 September

2008 to 30 September 2011. He obtained a Bachelor of Laws degree from the University of Hong Kong and a Master of Business Administration from the University of British Columbia in Canada.

Mr. Lam Chi Yan, aged 47, has been an executive Director since 13 June 2013. He has over 19 years of experience in the automobile industry. Prior to joining the Group, Mr. Lam was a general manager of a 4S dealership store of a leading luxury automobile brand in Guangdong Province of the PRC from October 2005 to July 2012. He was a consultant of AI Administration Limited, a wholly-owned subsidiary of the Company, from January 2013 to June 2013. Mr. Lam obtained an Associate degree of Science in Automotive Engineering and an Associate degree of Science in Business Administration from the Skyline College, San Bruno, United States of America in 1991 and 1994 respectively, and a Bachelor's degree of Arts in Industrial Arts from the San Francisco State University, United States of America in 1994.

Independent non-executive Directors

Mr. Tan Boon Seng, aged 58, has been an independent non-executive Director since April 1999 and is a member of each of the audit committee and nomination committee and the chairman of the remuneration committee of the Company. Mr. Tan obtained a Master's degree in Arts from the Cambridge University. Mr. Tan is the chairman and managing director of Lee Hing Development Limited (Stock code: 68), a company listed on the Main Board of the Stock Exchange. He resigned as an independent non-executive director of Genting Hong Kong Limited (Stock code: 678), a company listed on the Main Board of the Stock Exchange, with effect from 10 January 2013. He is also an executive director of IGB Corporation Berhad, a company listed on the stock exchange of Kuala Lumpur, Malaysia. He was appointed as a non-executive director of PureCircle Limited, a company listed on the London stock exchange, in August 2012 and resigned from the same position in December 2012.

As at the Latest Practicable Date, Mr. Tan owns 1,020,000 Shares of the Company, which equals to approximately 0.03% of the shareholdings of the Company.

Dr. Antonio Maria Santos, aged 57, has been an independent non-executive Director since September 2012 and is a member of each of the audit committee, remuneration committee and nomination committee of the Company. He retired from the Hong Kong Police Force in January 2012 after more than 30 years of service. His last position was an Assistant Commander of a Police District. Apart from volunteering for community services, Dr. Santos was appointed as the chief operations officer of the Advance Tactics Service Limited, which specialised in computer and technology security, personal and corporate security, risk assessment and management, and strategic advice on commercial laws as well as listing rules, since July 2013. He is currently a part time lecturer in the faculty of Crime & Investigation for associate degrees and degrees. Dr. Santos obtained a PhD in business administration from the Nueva Ecija University of Science and Technology in the Republic of Philippines, a Master's degree in management studies from the University of Northumbria at Newcastle in the United Kingdom and a Master's degree in criminal

justice from the Tarlac State University in the Republic of Philippines. He is a Fellow of the Chartered Management Institute, the United Kingdom. Dr. Santos is an independent non-executive director of Willie International Holdings Limited (Stock code: 273), a company listed on the Main Board of the Stock Exchange, since August 2012.

Mr. Kong To Yeung Frankie, aged 50, has been an independent non-executive Director since 21 June 2013 and is the chairman of the audit committee and a member of the remuneration committee and nomination committee of the Company. Mr. Kong is an executive president of Express Investment International Group Limited, which is a private investment holding company located in Hong Kong, since January 2014. Before that he was a general manager of G-Prop (Holdings) Limited (Stock Code: 286), a company listed on the Main Board of the Stock Exchange, from September 2012 to December 2013 and was responsible for its corporate development. Mr. Kong was also a general manager — corporate development of Goodtop Tin International Holdings Limited (Stock Code: 195) from September 2011 to August 2012, a general manager of Lam Soon (Hong Kong) Limited (Stock Code: 411) from 2008 to late 2012 and an assistant general manager of New World China Land Limited (Stock Code: 917) from 1996 to 2002, all being companies listed on the Main Board of the Stock Exchange. Mr. Kong served in management capacities in various private companies including New World TMT Limited and Philips Hong Kong Limited. Mr. Kong is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Chartered Association of Certified Accountants. He obtained a Honours Diploma in Accounting from Hong Kong Baptist College, currently known as the Hong Kong Baptist University, in 1986.

Senior Management

Mr. Hon Ping Cho Terence, aged 55, has been the chief financial officer, the company secretary and the authorised representative of the Company since 30 December 2013. He has substantial experience in auditing, accounting and financial management. Prior to joining the Company, Mr. Hon worked in an international accounting firm before he was appointed to various senior financial positions in a number of listed companies in Hong Kong. He holds a Master's degree in business administration (financial services) from The Hong Kong Polytechnic University and is a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales.

Mr. Herbert Adamczyk, aged 74, has been the executive vice chairman of Auto Italia Limited, a subsidiary of the Group since January 2013 and is the Director and Chief Operating Officer of China Premium Lifestyle Enterprise, Inc., an associated company of the Group. He has over 48 years' experience in the automotive trade in Hong Kong. He has a motor engineering background and has been with the Technorient Group, subsidiaries of the Group, for 29 years. He is an Executive Committee member of The Motor Traders Association of Hong Kong and The Italian Chamber of Commerce in Hong Kong and Macau.

Mr. John Brian Newman, aged 47, has been the managing director of the Company since January 2013. He has over 25 year's experience with blue chip sports and luxury or manufacturers and importers, and was a director of a successful motor racing team in Europe. He holds a Diploma in Business and Finance, is a qualified pilot and a member of the Institute of the Motor Industry in the United Kingdom. Mr. Newman is responsible for sales, marketing, distribution, dealer development, media communications and customer relationship management of the car business of the Group since 2005.

Save as disclosed in this appendix, as at the Latest Practicable Date, none of the Directors nor the senior management of the Company was interested in any Shares within the meaning of Part XV of the SFO.

Save as disclosed in this appendix, as at the Latest Practicable Date, none of the Directors nor the senior management of the Company (i) hold any directorships in other listed company in the last three years; (ii) have any other major appointments and professional qualifications; (iii) hold any other position with the Company or other members of the Group; and (iv) have any relationship with any other Directors, senior management, substantial or controlling Shareholders.

(11) CORPORATE INFORMATION AND PARTIES INVOLVED IN THE OPEN OFFER

Registered office	Canon's Court 22 Victoria Street Hamilton HM12 Bermuda
Head office and principal place of business	Unit C, 1st Floor 2 Yuen Shun Circuit Shatin, New Territories Hong Kong
Underwriter	Kingston Securities Limited Suite 2801, 28/F. One International Finance Centre 1 Harbour View Street Central Hong Kong

Legal advisers	<i>As to Hong Kong law</i> Troutman Sanders 34th Floor, Two Exchange Square 8 Connaught Place Central Hong Kong <i>As to Bermuda Law</i> Appleby 2206–19 Jardine House 1 Connaught Place Central Hong Kong
Auditors and reporting accountants	Deloitte Touche Tohmatsu 35th Floor One Pacific Place 88 Queensway Hong Kong
Principal bankers	China CITIC Bank International Limited DBS Bank (Hong Kong) Limited China Construction Bank (Asia) Corporation Limited Dah Sing Bank, Limited ORIX Asia Limited Wing Hang Bank, Limited The Bank of East Asia, Limited
Principal share registrar and transfer office in Bermuda	Appleby Management (Bermuda) Limited Canon's Court 22 Victoria Street Hamilton HM 12 Bermuda
Branch share registrar and transfer office in Hong Kong	Tricor Standard Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Authorised representatives	Mr. Chong Tin Lung Benny Mr. Hon Ping Cho Terence
Company secretary	Mr. Hon Ping Cho Terence

(12) LEGAL EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of this Prospectus, this Prospectus shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies Ordinance, so far as applicable.

(13) EXPENSES

The expenses in connection with the Open Offer, including the underwriting commission and professional fees payable to lawyers and the financial printer, are estimated to be approximately HK\$2.4 million and will be payable by the Company.

(14) DOCUMENTS REGISTERED BY THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the consent letter referred to in the paragraph headed “QUALIFICATION AND CONSENT OF EXPERT” in this Appendix have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance.

(15) MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Hon Ping Cho Terence, who is a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants.
- (b) The English text of this Prospectus and the accompanying Application Form and Excess Application Form shall prevail over their respective Chinese text in case of inconsistency.

(16) DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company’s head office and principal place of business in Hong Kong at Unit C, 1st Floor, 2 Yuen Shun Circuit, Shatin, New Territories, Hong Kong on any weekday other than public holidays, from the date of this Prospectus up to the Latest Time for Acceptance:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for each of the three years ended 31 December 2011, 2012 and 2013;
- (c) the report prepared by Deloitte Touche Tohmatsu setting out their opinion on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;

- (d) the written consent referred to under the section headed “QUALIFICATION AND CONSENT OF EXPERT” in this Appendix;
- (e) the material contracts referred to under the section headed “MATERIAL CONTRACTS” in this Appendix; and
- (f) the Prospectus Documents.