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AUTO ITALIA HOLDINGS LIMITED

意達利控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on the information currently available to the Company and a preliminary assessment by the Company's management with reference to the unaudited management accounts of the Group for the year ended 31 December 2014, which have not been audited or reviewed by the Company's auditors, the Group is expected to record a net profit for the year ended 31 December 2014 as compared with an audited loss of HK\$55.7 million for the year ended 31 December 2013.

The audited results announcement of the Group for the financial year ended 31 December 2014 is expected to be announced before the end of March 2015.

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

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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the Company and a preliminary assessment by the Company’s management with reference to the unaudited management accounts of the Group for the year ended 31 December 2014, the Group is expected to record a net profit for the year ended 31 December 2014 as compared with an audited loss of HK\$55.7 million for the year ended 31 December 2013. A turnaround of the Group’s performance is primarily due to (i) an increase in unit sales of cars as well as an increase in income from the provision of pre-delivery inspection services in mainland China; (ii) an improvement in gross profit margin from the car division by mid-single digit percentage points mainly attributable to the introduction of new car models in 2014; and (iii) income contribution of approximately HK\$20 million from our financing activities comprising the provision of financing services, which were contemplated in late 2013.

The information contained in this announcement is only based on the information currently available to the Company and a preliminary assessment by the Company’s management with reference to the unaudited management accounts for the year ended 31 December 2014, which have not been audited or reviewed by the Company’s auditors. Further details of the Group’s performance will be disclosed in the annual results of the Group for the year ended 31 December 2014 which are expected to be announced before the end of March 2015. Shareholders and potential investors are advised to read the annual results announcement of the Company when it is published.

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

By order of the Board
AUTO ITALIA HOLDINGS LIMITED
Chong Tin Lung Benny
Executive Chairman and Chief Executive Officer

Hong Kong, 29 January 2015

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

* *for identification purposes only*