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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)

TERMINATION OF IMPORT AND DISTRIBUTION RIGHTS:

UPDATE AND ENTERING INTO LEGALLY BINDING AGREEMENT FOR TRANSITIONAL ARRANGEMENTS

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

Reference are made to (i) the Company’s announcement dated 29 November 2016 (“2016 Announcement”) regarding the Company having received on 29 November 2016 the Termination Advice from Ferrari to terminate, pursuant to the Import & Distribution Agreement, the Group’s import and distribution rights of “Ferrari” cars in Hong Kong and Macau with effect from 27 May 2017 (“Agreement Termination Date”); and (ii) the Company’s announcement dated 10 March 2017 (“March Announcement”), the Group and Ferrari entering into a non-legally binding term sheet (“Term Sheet”) in connection the discussions on arrangements to facilitate a smooth transition of the Hong Kong “Ferrari” cars distributorship and continuity of customer support services to customers in Hong Kong.

* *For identification purpose only*

Terms defined in the 2016 Announcement and the March Announcement shall, unless the context requires otherwise, have the same meanings when used in this announcement.

The Board is pleased to announce that on 26 May 2017, a legally binding agreement together with other related documentation were entered into by the Group and Ferrari in connection with the transitional arrangements with a view to facilitating smooth and orderly transition of the distribution business. The terms of the agreement essentially follow those set out in the Term Sheet. Under such agreement, the Group will continue to provide, up to 30 September 2017 (“Services End Date”), certain transitional services (including limited scope new vehicle delivery services, handling of existing “Ferrari” car orders received by the Group, limited scope after sales services and vehicles repair and maintenance services), a sum is agreed to be paid by Ferrari to the Group for agreeing to afford and provide the transitional services contemplated under such agreement during the transitional period.

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

By Order of the Board
Auto Italia Holdings Limited
CHONG Tin Lung Benny
Executive Chairman and Chief Executive Officer

Hong Kong, 26 May 2017

As at the date of this announcement, the Board comprises Mr. Chong Tin Lung Benny (Executive Chairman and Chief Executive Officer) and Mr. Lam Chi Yan, both of whom are executive Directors; and Dr. Santos Antonio Maria, Mr. Kong Kai Chuen Frankie and Mr. Lee Ben Tiong Leong, all of whom are independent non-executive Directors.