

THIS CIRCULAR IS IMPORTANT AND REQUESTS YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular 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 AUTO ITALIA HOLDINGS LIMITED, you should at once hand this circular with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the licensed securities dealer, bank or other agent through whom the sale was affected for transmission to the purchaser(s) or transferee(s).

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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)

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS,
GENERAL MANDATE TO ISSUE NEW SHARES
AND
GENERAL MANDATE TO REPURCHASE SECURITIES**

A notice convening the annual general meeting of AUTO ITALIA HOLDINGS LIMITED to be held at Seminar Room, Level 3, Three Pacific Place, 1 Queen's Road East, Hong Kong on Friday, 20 May 2016 at 3:00 p.m. or any adjournment thereof is set out on pages 13 to 16 of this circular.

If you are not able to attend the annual general meeting in person, please complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar and transfer office in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event, not less than 48 hours before the time fixed for holding of the annual general meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting (as the case may be) should you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

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RESPONSIBILITY STATEMENT

This circular, 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 circular 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 in this circular misleading.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Seminar Room, Level 3, Three Pacific Place, 1 Queen’s Road East, Hong Kong on Friday, 20 May 2016 at 3:00 p.m. or any adjournment thereof;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company as amended from time to time;
“close associate(s)”	has the same meaning ascribed thereto in the Listing Rules;
“CG Code”	Corporate Governance Code as set out in Appendix 14 to the Listing Rules;
“Companies Act”	Companies Act 1981 of Bermuda (as amended);
“Company”	AUTO ITALIA HOLDINGS LIMITED, an exempted company incorporated in Bermuda with limited liability, whose Shares are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	the general and unconditional mandate to be granted to the Directors at the AGM to exercise all the power to allot, issue and otherwise deal with new Shares not exceeding 20% of the number of issued shares of the Company as at the date of the passing of the resolution approving such mandate;
“Latest Practicable Date”	12 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Repurchase Mandate”	the general and unconditional mandate to be granted to the Directors at the AGM to repurchase securities of the Company on the Stock Exchange of up to 10% of the number of issued shares of the Company as at the date of the passing of the resolution approving such mandate;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers; and
“%”	per cent.



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. LAM Chi Yan

Independent Non-executive Directors:

Dr. SANTOS Antonio Maria

Mr. KONG Kai Chuen Frankie

(Formerly known as KONG To Yeung Frankie)

Mr. LEE Ben Tiong Leong

Registered office:

Canon's Court 22

Victoria Street

Hamilton HM12

Bermuda

Principal office in Hong Kong:

Unit C,

Ground Floor,

2 Yuen Shun Circuit,

Shatin,

Hong Kong

18 April 2016

To all Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS,
GENERAL MANDATE TO ISSUE NEW SHARES
AND
GENERAL MANDATE TO REPURCHASE SECURITIES**

INTRODUCTION

The purpose of this circular is to provide you with information on matters to be dealt with at the AGM. They are (i) the proposed re-election of Mr. CHONG Tin Lung Benny and Dr. SANTOS Antonio Maria as Directors; and (ii) the proposed grant of the Issue Mandate and the Repurchase Mandate.

* *For identification purposes only*

LETTER FROM THE BOARD

PROPOSED DIRECTORS FOR RE-ELECTION

According to Bye-law 99(A) of the Bye-laws, at each annual general meeting, one-third of the Directors (save for any chairman or managing director) for the time being, or if their number is not a multiple of three (3), the number nearest to but not greater than one-third, shall retire from office by rotation. The Directors to retire at every annual general meeting shall be those who have been longest in office since their last election but as between persons who became Directors on the same day, those to retire, unless they otherwise agree between themselves, shall be determined by lot. Such retiring Directors shall be eligible for re-election.

Mr. CHONG Tin Lung Benny (“Mr. Chong”), an executive Director, Executive Chairman and Chief Executive Officer of the Company, and Dr. SANTOS Antonio Maria (“Dr. Santos”), an independent non-executive Director, being the Directors longest in office since their last election, shall retire at the AGM and, being eligible, shall offer themselves for re-election. In order to comply with Code Provision A.4.2 of the CG Code that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years, Mr. Chong will retire voluntarily from office at the AGM and, being eligible, offer himself for re-election.

Each of Mr. Chong and Dr. Santos has indicated his willingness to be re-elected at the AGM.

Bye-law 103 of the Bye-laws provides that no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless not less than seven (7) days before the date appointed for the meeting there shall have been lodged at the office of the Company a notice in writing signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director at the AGM, notice of his intention to propose such person for election as a Director and the notice executed by the nominee of his willingness to be elected must be validly served at the principal office of the Company in Hong Kong at Unit C, Ground Floor, 2 Yuen Shun Circuit, Shatin, Hong Kong for the attention of the Company Secretary on or before Thursday, 12 May 2016.

Biographical details of the Directors offering themselves for re-election at the AGM are set out in Appendix I to this circular. If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the printing of this circular, the Company will issue a supplementary circular to inform Shareholders of the details of the additional candidate(s) proposed.

LETTER FROM THE BOARD

ISSUE MANDATE

An ordinary resolution will be proposed to grant to the Directors the Issue Mandate, in the terms set out in the notice of the AGM, to exercise the power to allot, issue and otherwise deal with new Shares not exceeding the aggregate of 20% of the number of issued shares of the Company as at the date of passing the relevant resolution and adding the aggregate nominal amount of any Shares repurchased by the Company pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, the Company had an aggregate of 5,219,541,190 Shares in issue. Subject to the passing of the relevant resolution to approve the Issue Mandate and assuming there are no Shares issued or repurchased during the period from the Latest Practicable Date to the date of the AGM, the total number of Shares which may be issued pursuant to the Issue Mandate will be 1,043,908,238.

REPURCHASE MANDATE

An ordinary resolution will also be proposed to grant to the Directors the Repurchase Mandate, in the terms set out in the notice of the AGM, to exercise the power to repurchase Shares not exceeding 10% of the number of issued shares of the Company of 5,219,541,190 Shares as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, the Company had an aggregate of 5,219,541,190 Shares in issue. Subject to the passing of the relevant resolution to approve the Repurchase Mandate and assuming there are no Shares issued or repurchased during the period from the Latest Practicable Date to the date of the AGM, the total number of Shares which may be repurchased pursuant to the Repurchase Mandate will be 521,954,119.

An explanatory statement to provide relevant information in respect of the Repurchase Mandate is set out in Appendix II to this circular.

AGM

A notice convening the AGM to be held at Seminar Room, Level 3, Three Pacific Place, 1 Queen's Road East, Hong Kong, on Friday, 20 May 2016 at 3:00 p.m. or any adjournment thereof is set out on pages 13 to 16 of this circular and a form of proxy for use at the AGM is herein enclosed.

If you are not able to attend the AGM in person, please complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar and transfer office in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event, not less than 48 hours before the time fixed for holding of the AGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting (as the case may be) should you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

PROCEDURES FOR POLL VOTING

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the notice of the AGM will be decided by poll.

Pursuant to Bye-law 76(A) of the Bye-laws, on a poll every member present in person or by a duly authorised corporate representative or by proxy, shall have one vote for every Share of which he/she is the holder which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on a Share in advance of calls or instalments shall be treated for the purposes of this Bye-law as paid up on a Share). On a poll, a member entitled to more than one vote need not use all his/her votes or cast his/her votes in the same way.

Poll voting slips will be distributed to Shareholders or their authorised corporate representative or their proxies upon registration of attendance at the AGM. Shareholders who want to cast all their votes entitled may mark a “✓” in either “FOR” or “AGAINST” box corresponding to the resolution to indicate whether he/she supports that resolution. Shareholders who do not want to use all their votes or want to split votes in casting a particular resolution shall indicate the number of votes cast on a particular resolution in the “FOR” or “AGAINST” box, where appropriate. However, the total votes cast must not exceed his/her entitled votes, or otherwise, the voting slip will be spoiled and the Shareholder’s vote will not be counted. Shareholders must sign on the voting slip.

After closing the poll, Tricor Standard Limited, the Company’s share registrar in Hong Kong who is appointed as the scrutineer for the vote-taking, will count the votes.

RECOMMENDATIONS

The Board considers that the proposals for re-election of the retiring Directors and the grant of the Issue Mandate and the Repurchase Mandate are in the interests of the Company and the Shareholders as a whole, and therefore recommends the Shareholders to vote in favour of all of the relevant resolutions to be proposed at the AGM.

Yours faithfully
For and on behalf of
AUTO ITALIA HOLDINGS LIMITED
CHONG Tin Lung Benny
Executive Chairman and Chief Executive Officer

The biographical details of the Directors proposed to be re-elected at the AGM are set out as follows:

Mr. CHONG Tin Lung Benny

Mr. Chong, aged 43, 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 of the Company, the Chairman of each of the nomination committee, executive Directors' committee and financial control committee of the Board and has been appointed as the chief executive officer of the Company on 24 October 2013. Mr. Chong is the chairman of VMS Investment Group Limited ("VMSIG"), a substantial shareholder of the Company. Mr. Chong has accumulated over 20 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 indirectly owns approximately 28.70% shareholding in the Company. Mr. Chong founded the VMS Investment Group in 2006 and is a Chartered Financial Analyst.

Mr. Chong obtained a Bachelor of Science in Commerce from the University of Toronto in 1994 and a Master of Science in Financial Engineering from the Hong Kong University of Science and Technology in 2000. Mr. Chong is the son of Ms. MAK Siu Hang Viola, who is in turn the sole beneficial owner of VMSIG, a substantial Shareholder.

Mr. Chong was reprimanded by the Securities and Futures Commissions of Hong Kong for misconduct in 2003 (the "Reprimand"), as an ex-securities dealer's representative, among other things, for giving an impression to a person that he would help that person to manipulate the shares of a company listed on the Stock Exchange. No prosecution has been brought against Mr. Chong in this regard (the "Incident"). The Board is aware of the Incident. Having considered that (i) Mr. Chong has extensive experience in the financial sector through his position in VMSIG which will make valuable contribution to the Company in relation to future strategic development of the Group, (ii) the Incident occurred over a decade ago and no further action has been taken against Mr. Chong other than the Reprimand, and (iii) Mr. Chong is also able to demonstrate a standard of competence commensurate with his position as an executive Director, the Executive Chairman and Chief Executive Officer of the Company in light of the fact that he has founded and built up VMSIG, the Board is satisfied that Mr. Chong has demonstrated that he has the requisite character, experience and integrity to fulfill such a position.

Save as above disclosed and as at the Latest Practicable Date, Mr. Chong does not hold any position in the Company or any of its subsidiaries nor have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholder. He has also not held any directorship in other listed companies in Hong Kong or overseas or other major appointments and qualifications in the past three years.

Mr. Chong entered into a service agreement with the Company for a term of two years commencing from 13 June 2015 and he is subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. Chong is entitled to an annual remuneration package of approximately HK\$2,016,000 plus an annual bonus at 2.5% on audited net profit of the Company. The above remuneration is determined by reference to his duties, responsibilities, performance and contribution to the Company.

As at the Latest Practicable Date, Mr. Chong held the share options granted by the Company to subscribe for 51,891,000 Shares within the meaning of Part XV of the SFO. Save as disclosed above, as at the Latest Practicable Date, Mr. Chong was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

In relation to Mr. Chong's re-election as a Director, there is no other matter which needs to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to the requirements of the provisions under Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

Dr. SANTOS Antonio Maria

Dr. Santos, aged 59, was appointed as an Independent Non-Executive Director, a member of each of the Nomination Committee and Audit Committee on 1 September 2012, and was appointed as the chairman of the Remuneration Committee of the Company with effect from 27 February 2015. He obtained a PhD in Business Administration from the Nueva Ecija University of Science & Technology in the Philippines, a Master of Arts in Management Studies from the University of Northumbria at Newcastle in the United Kingdom and a Master of Science in Criminal Justice from the Tarlac State University, the Philippines. Dr. Santos is a fellow of the Chartered Management Institute, the United Kingdom. He retired from the Hong Kong Police Force in January 2012 after more than 30 years of service there. Apart from volunteering for community services, he is currently a director and a shareholder of Advance Tactics Service Limited (a private company principally engaged in providing personal and commercial risk management services in Hong Kong and the Greater China region). Dr. Santos is also currently a director and a shareholder of A. M. Santos & Company Limited (a private company incorporated in Hong Kong) and United Partners Incorporated (a private company incorporated in the British Virgin Islands), both of which are principally engaged in providing financial consultancy services. He was formerly an executive director and chairman of China Solar Energy Holdings Limited (Stock code: 155), a listed company in Hong Kong with the trading of shares having been suspended, from October 2014 to May 2015. Dr. Santos is currently an independent non-executive director of Mason Financial Holdings Limited (Stock code: 273) and Imagi International Holdings Limited (Stock code: 585), both shares of which are listed on the main board of the Stock Exchange.

Save as above disclosed and as at the Latest Practicable Date, Dr. Santos does not hold any position in the Company or any of its subsidiaries nor have any relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. Save as disclosed, he has also not held any directorship in other listed companies in Hong Kong or overseas or other major appointments and qualifications in the past three years.

The Company entered into a letter of appointment with Dr. Santos for a term of two years commencing from 1 September 2014, and he is subject to retirement and re-election in accordance with the Bye-Laws. Dr. Santos is entitled to an annual director's fee of HK\$180,000, which was determined by the Board with reference to the recommendation from the remuneration committee of the Company and his duties, responsibilities and the prevailing market rate.

As at the Latest Practicable Date, Dr. Santos held the share options granted by the Company to subscribe for 1,500,000 Shares within the meaning of Part XV of the SFO. Save as disclosed above, as at the Latest Practicable Date, Dr. Santos was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Dr. Santos has confirmed that he meets the independence guidelines set out in Rule 3.13 of the Listing Rules.

In relation to Dr. Santos's re-election as a Director, there is no other matter which needs to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to the requirements of the provisions under Rule 13.51(2)(h) to Rule 13.51(2)(v) of the Listing Rules.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide information to you with regard to the Repurchase Mandate to be proposed at the AGM.

THE LISTING RULES

The Listing Rules contain provisions regulating the repurchase by companies whose securities are listed on the Stock Exchange. The following is a summary of certain provisions of the Listing Rules relating to repurchase of securities:

SHAREHOLDERS' APPROVAL

The Listing Rules provide that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval of a particular transaction.

SOURCE OF FUNDS

Repurchases must be funded out of funds legally available for such purpose in accordance with the Company's memorandum of association and the Bye-laws and the Companies Act. A company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Any repurchase by the Company may be made out of the capital paid up on the purchased Shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account.

REASONS FOR REPURCHASES

Although the Directors have no present intention of repurchasing any securities, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and the Shareholders. Repurchases will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangement at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

FUNDING OF REPURCHASES

Repurchases of Shares will be funded out of funds legally available for the purchase in accordance with the Company's memorandum of association and the Bye-laws and the applicable laws of Bermuda.

On the basis of the current financial position of the Company as disclosed in the audited accounts contained in the annual report 2015 of the Company, there might be an adverse effect on the working capital requirements or gearing levels of the Company in the event that the Repurchase Mandate is exercised in full at any time. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. The exercise in full of the Repurchase Mandate, on the basis of 5,219,541,190 Shares in issue as at the Latest Practicable Date (assuming that no Shares are issued or repurchased during the period from the Latest Practicable Date up to the date of the AGM) would result in up to 521,954,119 Shares being repurchased by the Company during the period in which the Repurchase Mandate remains in force.

GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, any of their close associates, have any present intention, if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and the Company's memorandum of association and the Bye-laws.

If as a result of a repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, VMS Investment Group Limited ("VMSIG") and parties acting in concert with it held an aggregate of 1,498,016,472 Shares, representing approximately 28.70% of the issued share capital of the Company. Based on such shareholdings, in the event that the Directors exercise in full the power to repurchase shares in the Company pursuant to the Repurchase Mandate, the shareholdings of VMSIG and parties acting in concert would increase to approximately 31.89% of the issued share capital of the Company thereby triggering an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors however have no present intention of exercising the general mandate to such extent as would result in any mandatory offer.

Furthermore, the Directors do not consider such increase would reduce the issued share capital in public hands to less than 25% (or the relevant prescribed minimum percentage required by the Stock Exchange).

No core connected person (as defined in the Listing Rules), including a Director, chief executive or substantial Shareholder or its subsidiaries or a close associate of any of them has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
April	0.445	0.335
May	0.460	0.365
June	0.830	0.420
July	0.800	0.330
August	0.520	0.280
September	0.580	0.280
October	0.490	0.380
November	0.420	0.290
December	0.355	0.275
2016		
January	0.365	0.169
February	0.255	0.195
March	0.250	0.205
April (up to the Latest Practicable Date)	0.230	0.200

SECURITIES PURCHASES MADE BY THE COMPANY

The Company has not made any repurchase of Shares, whether on the Stock Exchange or otherwise, during the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



AUTO ITALIA HOLDINGS LIMITED

意達利控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 720)

NOTICE IS HEREBY GIVEN that the annual general meeting of AUTO ITALIA HOLDINGS LIMITED (the “Company”) will be held at Seminar Room, Level 3, Three Pacific Place, 1 Queen’s Road East, Hong Kong, on Friday, 20 May 2016 at 3:00 p.m. or any adjournment thereof, for the purposes of considering and, if thought fit, passing, with or without modification, the following resolutions:

1. To receive and consider the audited consolidated accounts and the reports of directors and auditor of the Company for the year ended 31 December 2015.
2. (A) To re-elect Mr. CHONG Tin Lung Benny as a director of the Company (“Director(s”).

(B) To re-elect Dr. SANTOS Antonio Maria as a Director.

(C) To authorise the board of Directors (the “Board”) to fix the remuneration of the Directors.
3. To authorise the Board to appoint Messrs. Deloitte Touche Tohmatsu as the independent auditor of the Company and to fix its remuneration;

and, by way of special business, to consider and, if thought fit, to pass each of the following resolutions numbered 4, 5 and 6, with or without modification, as ordinary resolutions:

4. **“THAT:**
 - (a) subject to paragraph (b) of this resolution, the Directors be and are hereby generally and unconditionally authorised to exercise during the Relevant Period (as that term is defined below) all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements, and options (including warrants, bonds and debentures, notes and any securities which carry rights to subscribe for or are convertible into ordinary shares of the Company) which would or might require the exercise of any of such powers during or after the end of the Relevant Period;

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of the shares allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, other than pursuant to (i) a Rights Issue (as that term is defined below); or (ii) an issue of ordinary shares of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into ordinary shares of the Company; or (iii) an issue of ordinary shares of the Company by way of script dividend pursuant to the bye-laws of the Company from time to time; or (iv) the exercise of any option granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or its subsidiaries, of options to subscribe for, or rights to acquire, shares of the Company, shall not in total exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution;
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- the conclusion of the next annual general meeting of the Company;
 - the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders in general meeting; or
 - the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, or any applicable laws, to be held; and
- (d) for the purpose of this resolution, “Rights Issue” means an offer of shares for subscription open for a fixed period by the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

5. **“THAT:**
- (a) subject to paragraph (b) of this resolution, the Directors be and are hereby generally and unconditionally authorised to exercise during the Relevant Period (as that term is defined below) all the powers of the Company to purchase its shares in the share capital of the Company, subject to and in accordance with the applicable laws and regulations of Bermuda, the bye-laws of the Company and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time;
 - (b) the aggregate nominal amount of the shares which may be purchased pursuant to the approval in paragraph (a) above shall not in total exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution; and
 - (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - the conclusion of the next annual general meeting of the Company;
 - the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders in general meeting; or
 - the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, or any applicable laws, to be held.”
6. **“THAT** conditional upon the resolutions numbered 4 and 5 contained in the notice convening this meeting being approved, the aggregate nominal amount of the shares in the capital of the Company which are to be repurchased by the Company pursuant to and in accordance with the resolution numbered 5 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with resolution numbered 4.”

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

Hong Kong, 18 April 2016

NOTICE OF ANNUAL GENERAL MEETING

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal office in Hong Kong:
Unit C, Ground Floor
2 Yuen Shun Circuit
Shatin, Hong Kong

Notes:

1. Any shareholder of the Company entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote in his stead. A proxy need not be a shareholder of the Company but must attend the meeting in person to represent him. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion.
2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share of the Company as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the Company's share registrar and transfer office in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be).
4. Completion and return of the form of proxy will not preclude shareholders from attending the meeting and voting in person if you so wish. In the event that you attend the meeting after having lodged the proxy form, it will be deemed to have been revoked.
5. Pursuant to Rule 13.39(4) of the Listing Rules, the resolutions set out in this notice will be decided by poll at the meeting.
6. The Chinese version of this notice is for reference only. Should there be any discrepancies, the English version shall prevail.