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NEW FOCUS AUTO TECH HOLDINGS LIMITED

新焦點汽車技術控股有限公司*

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 360)

SUPPLEMENTAL AGREEMENT TO THE EQUITY TRANSFER AGREEMENT IN RELATION TO THE ACQUISITION OF 51% EQUITY INTEREST IN HUBEI AUTOBOOM

Reference is made to the announcement of the Company dated 23 September 2011 in relation to the acquisition of 51% equity interest in Hubei Autoboom.

On 18 February 2013, the Company and the Hubei Autoboom Vendors entered into a supplemental agreement to amend the terms of the Hubei Autoboom Equity Transfer Agreement, including the payment method.

Consideration Shares

A total of 29,749,744 new Shares will be issued at the Issue Price as part of the consideration for the Hubei Autoboom Acquisition.

The Issue Price of HK\$0.98 represents (i) a premium of approximately 12.64% to the closing price of HK\$0.87 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a premium of approximately 7.69% to the average of the closing prices per Share of HK\$0.91 as quoted on the Stock Exchange for the last five consecutive trading days prior to the Last Trading Day.

The Consideration Shares, when allotted, issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Consideration Shares.

* For identification purposes only

The Consideration Shares will be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 8 June 2012.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Reference is made to the announcement of the Company dated 23 September 2011 in relation to the acquisition of 51% equity interest in Hubei Autoboom.

HUBEI AUTOBOOM SUPPLEMENTAL AGREEMENT

On 23 September 2011, the Company and the Hubei Autoboom Vendors entered into the Hubei Autoboom Equity Transfer Agreement whereby the Hubei Autoboom Vendors agreed to transfer their 51% equity interest in Hubei Autoboom to the Company at a initial consideration of RMB87,258,450, subject to adjustment by an amount equals to the difference between the initial consideration and the Formula Amount.

As at the date of this announcement, RMB56,355,845, being the first and part of the second instalments of the initial consideration, has been paid by the Company to the Hubei Autoboom Vendors in accordance with the terms of the Hubei Autoboom Equity Transfer Agreement. The Formula Amount was calculated in accordance with the formula as specified in the Hubei Autoboom Equity Transfer Agreement to be RMB83,977,023. The Company is therefore obligated to pay the Hubei Autoboom Vendors a sum of RMB27,621,178, being the difference of the RMB56,355,845 and the Formula Amount.

On 18 February 2013, the Company and the Hubei Autoboom Vendors entered into the Hubei Autoboom Supplemental Agreement, pursuant to which the Company and the Hubei Autoboom Vendors agreed that the remaining sum of RMB27,621,178 shall be satisfied as follows:

- (i) RMB4,000,000 by way of cash; and
- (ii) RMB23,621,178 by way of issue of 29,749,744 new Shares at the Issue Price;

The Company and the Autoboom Vendors further agreed that the Hubei Autoboom Vendors shall waive the rights to request the Company to pay liquidated damages arising from the delay by the Company in settling any part of the Consideration under the Hubei Autoboom Equity Transfer Agreement.

Apart from the aforesaid matters, there is no change to any other terms and conditions of the Hubei Autoboom Equity Transfer Agreement.

CONSIDERATION SHARES

A total of 29,749,744 Consideration Shares will be issued at the Issue Price as part of the consideration for the Hubei Autoboom Acquisition.

If for some objective reasons, the Consideration Shares shall not be allotted and issued by the Company within a reasonable period of time, the Company shall settle the unpaid sum which is to be satisfied by the allotment and issue of the Consideration Shares in cash.

Issue Price

The Issue Price of HK\$0.98 represents (i) a premium of approximately 12.64% to the closing price of HK\$0.87 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a premium of approximately 7.69% to the average of the closing prices per Share of HK\$0.91 as quoted on the Stock Exchange for the last five consecutive trading days prior to the Last Trading Day.

Ranking of the Consideration Shares

The Consideration Shares, when allotted, issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Consideration Shares.

General Mandate to issue the Consideration Shares

The Consideration Shares shall be issued pursuant to the general mandate granted under an ordinary resolution passed at the last annual general meeting of the Company on 8 June 2012 (the "General Mandate"). As at the date of this announcement, 18,226,068 Shares have been issued under the General Mandate. Assuming a total of 29,749,744 Consideration Shares issued, it will utilise approximately 30.86% of the remaining General Mandate.

The issue of the Consideration Shares is not subject to the approval of the shareholders of the Company.

Assuming there is no change in the issued share capital of the Company from the date of this announcement and up to the issue of the Consideration Shares, the Consideration Shares represents:

- (a) approximately 5.03% of the issued share capital of the Company as at the date of this announcement; and
- (b) approximately 4.79% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

REASONS FOR AND BENEFITS OF ENTERING INTO THE HUBEI AUTOBOOM SUPPLEMENTAL AGREEMENT

The Directors consider that the issue of the Consideration Shares as part of the consideration for the Hubei Autoboom Acquisition would help align the interests of the Hubei Autoboom Vendors with the interest of the Group and its shareholders and save working capital for the operations and expansion of Group's retail service stores.

The Directors are of the view that the abovementioned amendments to the terms under the Hubei Autoboom Equity Transfer Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Company”	New Focus Auto Tech Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Consideration”	RMB87,258,250, being the aggregate price payable by the Company to the Hubei Autoboom Vendors for the Hubei Autoboom Acquisition under the Hubei Autoboom Equity Transfer Agreement (subject to adjustment)
“Consideration Shares”	the new Shares to be allotted and issued by the Company to the Hubei Autoboom Vendors to satisfy part of the Consideration pursuant to the Hubei Autoboom Supplemental Agreement
“Director(s)”	the director(s) of the Company
“Equity Interest”	in aggregate 51% equity interest in Hubei Autoboom (of which 0.6%, 30% and 20.4% transferred by each of Chen Bing Yu (陳炳煜), Li Zhen Fei (李貞斐) and Li Zheng Guo (李正國) respectively to a subsidiary of the Company pursuant to the Hubei Autoboom Equity Transfer Agreement
“Formula Amount”	the amount shall be calculated at the formula as specified in the announcement of the Company dated 23 September 2011 in relation to the acquisition of 51% equity interest in Hubei Autoboom

“General Mandate”	the general mandate granted to the Directors by the shareholders of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 8 June 2012, pursuant to which a maximum of 96,389,307 new Shares may fall to be allotted and issued as at the date of this announcement
“Hubei Autoboom”	湖北歐特隆汽車用品超市有限公司 (Hubei Autoboom Auto Accessories Supermarket Co., Ltd.*), a limited liability company established in the PRC, a subsidiary of the Company
“Hubei Autoboom Acquisition”	the acquisition of 51% equity interest in Hubei Autoboom pursuant to the Hubei Autoboom Equity Transfer Agreement (as amended and supplemented)
“Hubei Autoboom Equity Transfer Agreement”	the equity transfer agreement dated 23 September 2011 and entered into by the Company and the Hubei Autoboom Vendors in respect of the Hubei Autoboom Acquisition
“Hubei Autoboom Supplemental Agreement”	the supplemental agreement dated 18 February 2013 entered into by the Company and the Hubei Autoboom Vendors in relation to the Hubei Autoboom Equity Transfer Agreement
“Hubei Autoboom Vendors”	Chen Bing Yu (陳炳煜), Li Zhen Fei (李貞斐) and Li Zheng Guo (李正國)
“Issue price”	HK\$0.98 per Consideration Share
“Shares(s)”	the ordinary issued share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
New Focus Auto Tech Holdings Limited
HUNG We Pi, John
Chairman

Hong Kong, 18 February 2013

As at the date of this announcement, the directors of the Company are executive Directors – HUNG Wei-Pi John, HUNG Ying-Lien, Raymond N. Chang, Douglas Charles Stuart FRESCO and Edward B. MATTHEW; non-executive Directors – HSU Ming Chyuan and CHANG An-Li; and independent non-executive Directors – DU Haibo, ZHOU Tai Ming, UANG Chii-Maw and Chih T. Cheung.