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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 the Cayman Islands with limited liability)

(Stock Code: 360)

PROPOSED ISSUE OF CONVERTIBLE BONDS DUE 2017 UNDER GENERAL MANDATE

On 5 July 2015 the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for the Convertible Bonds in an aggregate principal amount of US\$25,000,000 (the HK\$ Equivalent being HK\$194,500,000) due in 2017.

The initial Conversion Price is HK\$3.00 per Share, which represents: (a) a premium of approximately 96.08% over the last Closing Price of HK\$1.53 per Share quoted on the Stock Exchange on the Last Trading Date; (b) a premium of approximately 89.87% to the average Closing Price of approximately HK\$1.58 per Share as quoted on the Stock Exchange for the five consecutive Trading Days up to and including the Last Trading Date; and (c) a premium of approximately 71.43% to the average Closing Price of approximately HK\$1.75 per Share as quoted on the Stock Exchange for the ten consecutive Trading Days up to and including the Last Trading Date.

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$3.00 per Share, the Convertible Bonds will be convertible into approximately 64,833,333 Conversion Shares, representing (i) approximately 1.72% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 1.69% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares; and (iii) approximately 1.40% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares and the Existing Conversion Shares.

* For identification purposes only

The Conversion Shares to be issued upon conversion of the Convertible Bonds will rank *pari passu* in all respects with the Shares in issue on the relevant Registration Date. The Conversion Shares will be issued under the General Mandate.

No listing of the Convertible Bonds will be sought on the Stock Exchange or any other exchange. An application will be made to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.

Assuming the Convertible Bonds of an aggregate principal amount of US\$25,000,000 (the HK\$ Equivalent being HK\$194,500,000) are issued, the aggregate gross proceeds from the Subscription are expected to be HK\$194,500,000. The net proceeds from the issue of the Convertible Bonds, after deducting all related fees and expenses, are estimated to be approximately HK\$192,500,000. The Board intends to use 65% of such proceeds for the expansion of automobile service networks and the remaining 35% for the general working capital of the Group. The expansion of automobile service networks includes (i) the opening of automobile services stores at the gas stations of Sinopec Corp. in Hubei and other provinces in the PRC; and (ii) the opening of one-stop automobile service stores, maintenance and painting centers and small community stores.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the Conditions Precedent. As the Subscription may or may not be completed, the Convertible Bonds may or may not be issued and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

Date

5 July 2015

Parties

- (a) the Company as issuer
- (b) the Subscriber as subscriber

Subscription

Subject to the fulfillment of the Conditions Precedent, the Subscriber has agreed to subscribe for the Convertible Bonds in an aggregate principal amount of US\$25,000,000 (the HK\$ Equivalent being HK\$194,500,000).

Conditions Precedent

The obligation of the Subscriber to subscribe for the Convertible Bonds at Completion is subject to the fulfillment, to the satisfaction of the Subscriber on or prior to the Completion Date, of the following Conditions Precedent, unless otherwise waived in writing by the Subscriber:

- (a) the warranties made by the Company as set out in the Subscription Agreement being true and correct in all material respects when made, and being true, and correct in all material respects as of the Completion Date with the same force and effect as if they had been made on and as of such date;
- (b) the Company having performed and complied with in all respects all agreements, obligations and conditions contained in the Subscription Agreement and the other Transaction Documents that are required to be performed or complied with by it on or before the Completion Date and shall have obtained all approvals, consents and qualifications necessary to complete the transactions contemplated in the Subscription Agreement at Completion;
- (c) on or prior to the Completion Date, the Company having delivered to the Subscriber a counterpart of the Subscription Agreement and each of the other Transaction Documents to which it is a party, duly executed by the Company;
- (d) the Company having obtained, on or before the Completion Date, as the case may be, any and all approvals, consents and waivers necessary for consummation of the transactions contemplated by the Subscription Agreement and the other Transaction Documents, including but not limited to (i) the approval from the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which fall to be issued upon conversion of the Bond Instrument; and (ii) the approval from the Shareholders at its annual general meeting held on 25 June 2015 for the grant of the General Mandate to allot and issue Shares to satisfy the allotment and issue of the Conversion Shares to be issued upon conversion under the terms of the Bond Instrument, which has not been revoked as at the date of the Subscription Agreement; and (iii) the Board Approval;
- (e) after the date of the Subscription Agreement up to and at the Completion Date, there not having occurred any change (nor any development or event involving a prospective change), in the financial or business condition, prospects, results of operations or general affairs of the Company and the Group taken as a whole, which, in the opinion of the Subscriber, is material and adverse in the context of the issue of the Convertible Bonds; and
- (f) a legal opinion from the Company's Cayman Islands legal adviser opining on the due incorporation, existence and capacity of the Company, the Company's capacity in respect of the entry into the Subscription Agreement and the other Transaction Documents and the performance of its obligations thereunder, addressed and acceptable to the Subscriber and dated the Completion Date.

Completion

Subject to the fulfillment or the Subscriber's waiver of the Conditions Precedent as set out above, Completion shall take place at the office of Paul Hastings, the Company's legal adviser, in Hong Kong on 10 July 2015 or at such other date, time and place as the Company and the Subscriber may mutually agree upon.

Termination

Notwithstanding anything contained in the Subscription Agreement, the Subscriber may, by notice to the Company given at any time prior to payment of the net subscription monies for the Convertible Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:

- (a) if there shall have come to the notice of the Subscriber any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;
- (b) if any of the Conditions Precedent has not been satisfied or waived by the Subscriber on or prior to the Completion Date, as the case may be;
- (c) if, in the opinion of the Subscriber (after consultation with the Company to the extent reasonably practicable), there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension for a period of five consecutive Trading Days (in Hong Kong) on the Stock Exchange and/or any other stock exchange on which the Company's securities are traded; or (iii) a general moratorium on commercial banking activities in the United States of America, the PRC, Hong Kong, Singapore and/or the Cayman Islands declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States of America, the PRC, Hong Kong, Singapore or the Cayman Islands; or
- (d) if in the opinion of the Subscriber (after consultation with the Company to the extent reasonably practicable), there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as would in its view, be likely to prejudice materially the dealings in the Convertible Bonds in the secondary market.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds are summarized as follows:

Issuer:	The Company
Principal amount:	US\$25,000,000 (the HK\$ Equivalent being HK\$194,500,000)
Maturity Date:	The date falling on the second anniversary of the Issue Date

- Interest:** The Convertible Bonds bear interest from and including the Issue Date at the rate of 6% per annum payable semi-annually in arrears on 10 January and 10 July in each year (each, an “**Interest Payment Date**”) with the first Interest Payment Date falling on 10 January 2016. If any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which case the Interest Payment Date will be brought forward to the previous Business Day.
- Status:** The Convertible Bonds constitute direct, unsubordinated, unconditional and (subject to the Negative Pledge) unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable laws and subject to the Negative Pledge, at all times rank at least equally with all of the Company’s other present and future unsecured and unsubordinated obligations.
- Form and denomination:** The Convertible Bonds are issued in registered form in the Authorised Denomination of US\$200,000 each. A Bond Certificate will be issued to each Bondholder in respect of its registered holding of the Convertible Bonds. Each Bond Certificate will be numbered serially with an identifying number which will be recorded on the relevant Bond Certificate and in the Register of Bondholders which the Company will keep.
- Conversion period:** Any Bondholder has the right to convert all or part of the Convertible Bonds held by it into Conversion Shares credited as fully paid at any time on or after the Issue Date up to the Maturity Date, or if notice requiring redemption has been given by the holder of such Convertible Bond, then up to the close of business on the day prior to the giving of such notice.
- Conversion Price:** The initial Conversion Price is HK\$3.00 per Conversion Share, which is subject to adjustment in accordance with the terms of the Bond Instrument.

Adjustments to the Conversion Price:	<p>The Conversion Price will be subject to adjustment upon the occurrence of any of the events described below in accordance with the terms of the Bond Instrument:</p> <ul style="list-style-type: none"> (a) consolidation, subdivision or reclassification; (b) capitalization of profits or reserves; (c) distributions; and (d) issue of Shares or options over Shares.
Ranking of Conversion Shares:	<p>The Conversion Shares issued upon conversion of the Convertible Bonds will in all respects rank <i>pari passu</i> with the Shares in issue on the relevant Registration Date.</p>
Redemption at maturity:	<p>Unless previously redeemed, converted or purchased and cancelled as provided in the Bond Instrument, the Company will redeem each Convertible Bond at the Redemption Amount on the Maturity Date.</p>
Redemption at the option of the Bondholder:	<p>At any time after six months from the Issue Date and prior to the Maturity Date, the holder of each Convertible Bond will have the right, at such holder's option, to require the Company to redeem all or part of the Convertible Bonds of such holder at the Redemption Amount on the Optional Redemption Date. To exercise such right, the holder of the relevant Convertible Bond must complete, sign and deposit at the Designated Office a duly completed and signed Optional Redemption Notice together with the Bond Certificate evidencing the Convertible Bonds to be redeemed.</p> <p>An Optional Redemption Notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Company consents to such withdrawal) and the Company shall redeem the Convertible Bonds the subject of the Optional Redemption Notice delivered as aforesaid on the Optional Redemption Date.</p>

Redemption for delisting
or Change of Control:

- (a) Following the occurrence of a Relevant Event, the holder of each Convertible Bond will have the right at such holder's option, to require the Company to redeem all (but not part) of such holder's Convertible Bonds on the Relevant Event Redemption Date at the Redemption Amount. To exercise such right, the holder of the relevant Convertible Bond must deposit at the Designated Office a duly completed and signed Relevant Event Redemption Notice, specifying the number of Convertible Bonds to be redeemed and the Relevant Event that has occurred, together with the Bond Certificate evidencing the Convertible Bonds to be redeemed by not later than 30 days following a Relevant Event.
- (b) A Relevant Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Company's consent and the Company shall redeem the Convertible Bonds the subject of the Relevant Event Redemption Notice as aforesaid on the Relevant Event Redemption Date.

Transferability:

The Convertible Bonds are transferable in accordance with the terms of the Bond Instrument provided however, that a Convertible Bond may not be transferred (a) to the then second largest shareholder of the Company without the prior written consent of the Company; (b) to any connected person without the prior written consent of the Company (which consent shall not be unreasonably withheld and shall be deemed to be given in the event that the Company fails to respond within one Business Day to the relevant Bondholder's request for such consent); and (c) unless each of the principal amount of the Convertible Bond transferred and (where not all of the principal amount of the Convertible Bonds held by the holder is being transferred) the principal amount of the balance of the Convertible Bonds not so transferred is in an Authorised Denomination.

Voting:

No Bondholder will be entitled to receive notice of or attend or vote at general meetings of the Company as a Shareholder by reason only of being the holder of a Convertible Bond. No Bondholder will be entitled to participate in any distribution and/or offers of further securities made by the Company to a Shareholder by reason only of being the holder of the Convertible Bonds.

Negative Pledge: The Company undertakes that, so long as any of the Convertible Bonds remains outstanding, it will not, and will procure that none of its subsidiaries will, create or permit to subsist or arise any Encumbrance upon the whole or any part of their respective present or future assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness unless, at the same time or prior thereto, the Company's obligations under the Convertible Bonds are secured equally and rateably by the same Encumbrance or, at the option of the Company, by such other security, guarantee, indemnity or other arrangement as the Bondholder may approve (acting reasonably).

Events of default: If any of the following events occurs and is continuing, any Bondholder may give written notice to the Company at the Designated Office that the Convertible Bonds are, and they shall immediately become due and payable by the Company at the principal amount together with accrued and unpaid interest if:

- (a) there is a default in the payment of any principal or interest or premium due in respect of the Convertible Bonds on the due date for such payment and in the case of interest only, such default continues for a period of more than seven days;
- (b) the Company does not perform or comply with one or more of its other obligations in the Convertible Bonds or the Bond Instrument (other than those referred to in (a) above), which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Company by the Bondholder;
- (c) failure by the Company to deliver any Conversion Shares as and when such Conversion Shares are required to be delivered following conversion of a Convertible Bond;
- (d) (i) any other present or future indebtedness (whether actual or contingent) of the Company for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, provided that the aggregate amount of the relevant indebtedness in respect of which one or more of the events mentioned above in this condition have occurred exceeds RMB50,000,000 or its equivalent in any other currency or currencies;

- (e) the Company is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend, payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any material part of the debts of the Company;
- (f) a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Company and is not discharged or stayed within 30 days;
- (g) an order of any court of competent jurisdiction is made or an effective resolution is passed for the liquidation, winding-up or dissolution of the Company (other than a voluntary winding-up on a solvent basis), or the Company ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation on terms approved by the Bondholder;
- (h) it is or will become unlawful for the Company to perform or comply with anyone or more of its obligations under the Convertible Bonds; or
- (i) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Company or any of its subsidiaries.

CONVERSION PRICE AND CONVERSION SHARES

The initial Conversion Price was determined after arm's length negotiations between the Company and the Subscriber. The initial Conversion Price is HK\$3.00 per Share, which represents:

- (a) a premium of approximately 96.08% over the last Closing Price of HK\$1.53 per Share quoted on the Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 89.87% to the average Closing Price of approximately HK\$1.58 per Share as quoted on the Stock Exchange for the five consecutive Trading Days up to and including the Last Trading Date; and

- (c) a premium of approximately 71.43% to the average Closing Price of approximately HK\$1.75 per Share as quoted on the Stock Exchange for the ten consecutive Trading Days up to and including the Last Trading Date.

The Conversion Price was determined after arm's length negotiation between the Company and the Subscriber with reference to the recent trading prices of the Shares on the Stock Exchange. The Directors are of the view that the Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$3.00 per Share, the Convertible Bonds will be convertible into approximately 64,833,333 Shares, representing (i) approximately 1.72% of the issued share capital of the Company as at the date of this announcement, (ii) approximately 1.69% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares, and (iii) approximately 1.40% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares and the Existing Conversion Shares. The Conversion Shares will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date.

ISSUE OF THE CONVERSION SHARES UNDER THE GENERAL MANDATE

The Conversion Shares will be allotted and issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 25 June 2015. Under the General Mandate, the Directors are authorized to allot and issue up to a maximum of 752,233,002 new Shares. As at the date of this announcement, the General Mandate has not been utilized since it was granted. As such, the General Mandate will be sufficient for, and no further Shareholders' approval is required for, the allotment and issue of the Conversion Shares.

INFORMATION ON THE GROUP

The Group is principally engaged in the operation of auto chain services network in the Greater China region, adopting a unified vertical integrated business model, covering innovative product research and development, production and manufacturing, brand building, sale channel expansion and merchandise retail sales and service.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a company incorporated in Hong Kong with limited liability, whose principal business is investment of financial products. The Subscriber is directly and wholly-owned by Haitong International Finance Company Limited, which in turn is indirectly and wholly-owned by Haitong International Securities Group Limited, the shares of which are listed on the Stock Exchange (Stock Code: 665).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below set out a summary of the shareholding structure of the Company (i) as at the date of this announcement; (ii) upon full conversion of the Convertible Bonds; and (iii) upon full conversion of the Convertible Bonds and the Existing Convertible Bonds:

Shareholders	As at the date of this announcement		Immediately after the issue of the Shares upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$3.00 each		Immediately after the issue of the Shares upon full conversion of the Convertible Bonds at the initial Conversion Price of HK\$3.00 each and upon full conversion of the Existing Convertible Bonds	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
CDH	2,076,072,279 <i>(Note 1)</i>	55.20	2,076,072,279 <i>(Note 1)</i>	54.26	2,889,580,226	62.28
Chief executive officer, directors and substantial shareholders of the Group	72,658,539	1.93	72,658,539	1.90	72,658,539	1.57
Bondholders	–	–	64,833,333	1.69	64,833,333	1.40
Other public Shareholders	<u>1,612,434,194</u>	<u>42.87</u>	<u>1,612,434,194</u>	<u>42.14</u>	<u>1,612,434,194</u>	<u>34.75</u>
TOTAL ISSUED SHARES	<u>3,761,165,012</u>	<u>100</u>	<u>3,825,998,345</u>	<u>100</u>	<u>4,639,506,292</u>	<u>100</u>

Notes:

- CDH will be issued an additional 813,507,947 Shares if the remaining of the Existing Convertible Bonds issued to it are fully converted.

USE OF PROCEEDS

Assuming the Convertible Bonds of an aggregate principal amount of US\$25,000,000 (the HK\$ Equivalent being HK\$194,500,000) are issued, the aggregate gross proceeds from the Subscription are expected to be HK\$194,500,000. The net proceeds from the issue of the Convertible Bonds, after deducting all related fees and expenses, are estimated to be approximately HK\$192,500,000. Based on the net proceeds of approximately HK\$192,500,000, the net price per Conversion Share is approximately HK\$2.97.

The Board intends to use 65% of such proceeds for the expansion of automobile service networks and the remaining 35% for the general working capital of the Group. The expansion of automobile service networks includes (i) the opening of automobile services stores at the gas stations of Sinopec Corp. in Hubei and other provinces in the PRC; and (ii) the opening of one-stop automobile service stores, maintenance and painting centers and small community stores.

REASONS FOR AND BENEFITS OF THE ISSUE OF THE CONVERTIBLE BONDS

The Directors are of the view that the issue of Convertible Bonds represents a good opportunity for the Company to raise funds to strengthen its capital base and financial position and to finance the Group's future development and expansion. The Directors consider that, taking into account the recent market conditions, raising funds by way of issuing the Convertible Bonds would enable the Company to obtain funds with lower financial costs. In addition, the Directors are of the view that the investment by the Subscriber, a reputable institutional investor, in convertible instrument of the Company represents a recognition in the investment value of the Company and would also enlarge and diversify the shareholder base of the Company.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement and the transactions contemplated thereunder (including the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds), which are determined after arm's length negotiations between the Company and the Subscriber are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EXISTING CONVERTIBLE BONDS

Reference is made to the announcements of the Company dated 26 June 2013 and 12 June 2014 in relation to, among other things, the issue of the Existing Convertible Bonds in an aggregate principal amount of US\$48,685,000 (approximately HK\$378,769,300) by the Company to CDH.

As at the date of this announcement, there were outstanding Existing Convertible Bonds in an aggregate principal amount of US\$24,342,500 (approximately HK\$189,384,650) which upon full exercise of the conversion rights attaching to the Existing Convertible Bonds pursuant to the terms thereof, the Company may have to issue up to 813,507,947 new Shares, representing (i) approximately 21.63% of the issued share capital of the Company as at the date of this announcement, (ii) approximately 21.26% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares, and (iii) approximately 17.53% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares and the Existing Conversion Shares.

FUND-RAISING ACTIVITIES BY THE COMPANY IN THE LAST 12 MONTHS

The Company has not raised any funds by issuing equity securities during the 12 months immediately before the date of this announcement.

GENERAL INFORMATION

No application will be made by the Company to the Listing Committee for listing of the Convertible Bonds. An application will be made to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the Conditions Precedent. As the Subscription may or may not be completed, the Convertible Bonds may or may not be issued and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Affiliate”	any other person that directly or indirectly Controls, or is Controlled by, or is under common Control with, the subject person; and without limiting the generality of the foregoing, includes any limited or general partner, venture capital, investment vehicle or investment fund or member of such person now or hereafter existing that is Controlled by or under common Control with the subject person
“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Authorised Denomination”	the denomination of US\$200,000
“Board”	the board of Directors
“Board Approval”	a certified copy of the resolutions passed at a duly convened Board meeting or a certified extract of relevant Board meeting minutes or a certified copy of the written resolutions duly passed by the Board, documenting that the Board has approved, confirmed, ratified and authorized: (i) the execution of the Subscription Agreement and the consummation of the transactions contemplated thereunder by the Company at Completion, (ii) the execution of the Bond Instrument and the Bond Certificate; (iii) the issue of the Convertible Bonds to the Subscriber in accordance with the Subscription Agreement; (iv) the issue of all Conversion Shares that would be required to be issued upon conversion of the Convertible Bonds pursuant to the Bond Instrument; and (v) the performance by the Company of its other obligations under the Transaction Documents

“Bond Certificate(s)”	a certificate issued in the name of the holder of one or more Convertible Bond substantially in the form set out in the Bond Instrument
“Bond Instrument”	the instrument constituting the Convertible Bonds
“Bondholder(s)”	holder(s) of the Convertible Bond(s) from time to time
“Business Day”	a day other than a Saturday or Sunday on which commercial banks are open for business in Hong Kong and, in the case of a surrender of a Bond Certificate, in the place where the Bond Certificate is surrendered
“CDH”	CDH Fast Two Limited, the controlling shareholder of the Company
“Change of Control”	the situation when China Diamond Holdings Company Limited, the controlling shareholder of CDH, or its Affiliates (whether directly or indirectly) collectively ceases to be a controlling shareholder of the Company
“Closing Price”	the closing price for the Shares for any Trading Day shall be the price published in the daily quotation sheet published by the Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day
“Company”	New Focus Auto Tech Holdings Limited (Stock Code: 360), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription pursuant to the terms and conditions of the Subscription Agreement
“Completion Date”	the date of Completion
“Conditions Precedent”	the conditions precedent to Completion under the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Control”	(a) the power to appoint a majority of the members of the board of directors or equivalent governing body of a person (or, if no such governing body exists, the direct or indirect ownership of a majority of the equity interests of such person) or (b) the direct or indirect possession of the power to direct or cause the directions of the management or affairs of such person, whether through ownership of securities or other ownership interests, through contractual arrangement or otherwise, and the terms “ Controlling ” and “ Controlled ” have meanings correlative to the foregoing
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Notice”	a conversion notice to be issued in accordance with the terms and conditions of the Bond Instrument substantially in the form set out thereunder
“Conversion Price”	the price per Conversion Share, such price initially being HK\$3.00 per Conversion Share, subject to adjustments in accordance with the terms of the Bond Instrument
“Conversion Share(s)”	the new Shares to be issued upon conversion of the Convertible Bonds
“Convertible Bond(s)”	the convertible bonds in an aggregate principal amount of US\$25,000,000 (the HK\$ Equivalent being HK\$194,500,000) due in 2017 to be issued by the Company to the Subscriber under the Subscription Agreement
“Designated Office”	the Company’s principal place of business in Shanghai, initially at Flat A, 9/F, Building No. 1, 100 Zi Xiu Road, Minhang District, Shanghai, the PRC
“Directors”	the directors of the Company
“Encumbrance”	any mortgage, pledge, security interest, encumbrance, lien or charge of any kind securing any obligation of any person
“Existing Conversion Shares”	the new Shares to be issued upon conversion of the Existing Convertible Bonds
“Existing Convertible Bonds”	the existing convertible bonds with an aggregate principal amount of US\$48,685,000 due in 2018 issued by the Company to CDH on 28 August 2013, which is convertible into Shares at the prevailing conversion price of HK\$0.2328 per Share, further details of which are set out in the announcements of the Company dated 26 June 2013 and 12 June 2014

“General Mandate”	the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on 25 June 2015 to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of passing such resolution
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HK\$ Equivalent”	the HK\$ equivalent of the US\$ amount determined using the agreed exchange rate of HK\$7.78 : US\$1.00
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Interest Payment Date”	has the meaning ascribed to it under the section headed “Principal Terms of the Convertible Bonds – Interest” in this announcement
“Issue Date”	the date when the Convertible Bonds are issued by the Company to the Subscriber
“Last Trading Date”	3 July 2015, being the last Trading Day for the Shares immediately prior to the publication of this announcement
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Maturity Date”	the date falling on the second anniversary of the Issue Date
“Negative Pledge”	the negative pledge under the terms and conditions of the Bond Instrument, further details of which are set out in the section headed “Principal Terms of the Convertible Bonds – Negative Pledge” in this announcement
“Optional Redemption Date”	the date falling not earlier than 30 days from the date of the Optional Redemption Notice
“Optional Redemption Notice”	an optional redemption notice for the redemption at the option of the Bondholders to be issued pursuant to the terms and conditions of the Bond Instrument substantially in the form set out thereunder

“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Redemption Amount”	<p>such amount as determined in accordance with the following formula:</p> <p>Redemption Amount = outstanding principal amount of such Convertible Bond x (1.12)^N – AI</p> <p>Where:</p> <p>N = a fraction the numerator of which is the number of calendar days between the Issue Date and the applicable date of redemption and the denominator of which is 365, and</p> <p>AI = Interest accrued and paid in respect of such Convertible Bond pursuant to the terms of the Bond Instrument and any other cash payment received under the Convertible Bond, prior to the applicable date of redemption</p>
“Register of Bondholders”	a register to be kept by the Company at its registered office in the Cayman Islands on which shall be entered the names and addresses of the holders of the Convertible Bonds and the particulars of the Convertible Bonds held by them and of all transfers of the Convertible Bonds
“Registration Date”	the date on which the person or persons designated in the Conversion Notice or otherwise notified by the converting Bondholder to the Company in writing is or are registered as the holder(s) on record of the number of Shares issuable upon conversion in the register of members of the Company
“Relevant Event”	occurs (a) when the Shares cease to be listed or admitted to trading on the Stock Exchange or, if applicable, the Alternative Stock Exchange; or (b) when there is a Change of Control
“Relevant Event Redemption Date”	the 14th day after the expiry of a 30-day period following a Relevant Event
“Relevant Event Redemption Notice”	a relevant event redemption notice for the redemption at the option of the Bondholders following the occurrence of a Relevant Event to be issued pursuant to the terms and conditions of the Bond Instrument substantially in the form set out thereunder

“Relevant Indebtedness”	any indebtedness in the form of or represented by debentures, loan stock, bonds, notes, bearer participation certificates, depository receipts, certificates of deposit or other similar securities or instruments which for the time being are quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter and which for the avoidance of doubt exclude any bi-lateral loans, syndicated loans, club-deal loans or other general banking facilities
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	the holders of the Shares
“Sinopec Corp.”	China Petroleum & Chemical Corporation, a company incorporated under the laws of the PRC whose shares and depository receipts (as applicable) are listed on the Stock Exchange (Stock Code: 386), Shanghai Stock Exchange (Stock Code: 600028), London Stock Exchange (Stock Code: SNP) and New York Stock Exchange (Stock Code: SNP)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Haitong International Financial Products Limited, a company incorporated in Hong Kong with limited liability. It is directly and wholly-owned by Haitong International Finance Company Limited, which in turn is indirectly and wholly-owned by Haitong International Securities Group Limited, the shares of which are listed on the Stock Exchange (Stock Code: 665)
“Subscription”	the subscription of Convertible Bonds by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 5 July 2015 entered into among the Company as issuer and the Subscriber as subscriber in relation to the issue of the Convertible Bonds
“Trading Day(s)”	a day when the Stock Exchange or, as the case may be, an Alternative Stock Exchange is open for dealing business, provided that if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days

“Transaction Documents”	collectively, the Subscription Agreement, the Bond Instrument, the Bond Certificate(s) and such other documents executed by the Company and/or the Subscriber in connection with any of the foregoing
“US\$”	US dollar(s), the lawful currency of the United States of America
“%”	per cent.

By Order of the Board
New Focus Auto Tech Holdings Limited
YING Wei
Chairman

Hong Kong, 6 July 2015

As at the date of this announcement, the Directors of the Company are: executive Director – ZHANG Jianxing; non-executive Directors – YING Wei, WANG Zhenyu and DU Jinglei; and independent non-executive Directors – HU Yuming, LIN Lei and ZHANG Xiaoya.