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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)

**CONNECTED TRANSACTION
ACQUISITION OF 18.68% EQUITY INTEREST IN
NEW FOCUS RICHAAHAUS**

Reference is made to the announcements dated 12 December 2008, 23 June 2009 and 16 August 2010 respectively in relation to the connected transactions between the Purchaser, a wholly-owned subsidiary of the Company, and the Vendors pursuant to which the Vendors acquired the Sale Shares from the Purchaser at the consideration of NTD37,821,522 in aggregate.

The Board is pleased to announce that on 18 February 2013 the Purchaser entered into the Share Purchase Agreement with the Vendors. Pursuant to the Share Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, which represent, in aggregate, 18.68% of the total issued share capital of New Focus Richahaus, at the aggregate Consideration of NTD42,029,326 to be satisfied in cash.

As a result of the Acquisition, New Focus Richahaus will become a wholly-owned subsidiary of the Company.

As the applicable percentage ratios in respect of the transactions contemplated under the Share Purchase Agreement under Rule 14A.32 of the Listing Rules is less than 5%, the transactions contemplated under the Share Purchase Agreement constitute a connected transaction of the Company which is subject to the reporting and announcement requirements but exempt from the independent shareholder's approval requirements under Chapter 14A of the Listing Rules.

* For identification purposes only

I. INTRODUCTION

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Upon Completion, New Focus Richahaus will become a wholly-owned subsidiary of the Company through the Purchaser.

The Consideration under the Share Purchase Agreement of NTD42,029,326 shall be satisfied in cash on Closing Day upon the fulfillment of condition precedent.

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II. SHARE PURCHASE AGREEMENT

Date

18 February 2013

Parties

- (a) Purchaser: Perfect Progress Investments Limited
- (b) Vendors: Mr. Tsai Ming Hui* (蔡明輝) and Ms. Lu Hsiu Me* (呂秀蜜)

As Mr. Tsai and Ms. Lu are a couple and Mr. Tsai was a director of the listed issuer within the preceding 12 months of New Focus Richahaus, both of them are therefore connected persons of the Company under the Listing Rules.

Sale Shares

Subject to the terms and conditions of the Share Purchase Agreement, the Vendors agree to sell, and the Purchaser agrees to purchase, the Sale Shares. Upon Completion, the Company will hold 100% of the total issued share capital of New Focus Richahaus through the Purchaser.

Consideration

The Consideration was arrived at after arm's length negotiation between the Parties, and it is referenced to the unaudited net assets of New Focus Richahaus as of 31 December 2012 and business prospects of New Focus Richahaus. The Consideration is approximately equal to the net assets value of New Focus Richahaus as of 31 December 2012 attributable to Mr. Tsai and Ms. Lu as minority shareholders of New Focus Richahaus.

The Consideration shall be payable on Closing Day in cash upon the fulfillment of the Condition Precedent. The Consideration will be financed by the Company's internal resource.

Completion

The Completion is conditional upon the fulfillment of the condition that the Purchaser has obtained the relevant investment approval from the MOEA ("**Condition Precedent**").

III. INFORMATION ON NEW FOCUS RICHAHAUS

New Focus Richahaus is a company established in Taiwan with limited liability and approximately 81.32% of its total issued shares held by the Purchaser. New Focus Richahaus is principally engaged in professional car wash and detailing, repair maintenance, restyling services and sales of automotive products in Taiwan.

The audited profits of New Focus Richahaus before and after taxation and extraordinary items were NTD39,182,693 and NTD30,028,755, respectively, for the year ending 31 December 2011. The unaudited losses of New Focus Richahaus before and after taxation and extraordinary items were NTD50,336,173 and NTD56,970,483, respectively, for the year ending 31 December 2012.

IV. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition will allow the Group to have full and complete control of New Focus Richahaus, and will allow the Group to gain full operating control, consolidate its cash position, leverage its finances for better banking terms, and enjoy fully all future earnings of its Taiwan operation. It would also allow the Group to enjoy more central buying and maximise the effect of full branding consolidation. The Directors are confident in the business prospects of New Focus Richahaus and believe that New Focus Richahaus will turn around in 2013 after comprehensive transformation of its retail service stores in 2012.

The Directors (including the independent non-executive Directors) consider that the Share Purchase Agreement was entered into on normal commercial terms and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole. No Director has a material interest in the transaction contemplated under the Share Purchase Agreement.

V. INFORMATION ON THE VENDORS

Mr. Tsai Ming Hui and Ms. Lu Hsiu Me are a couple and hold 2,050,656 and 2,050,655 shares in New Focus Richahaus respectively, representing in aggregate approximately 18.68% of the issued share capital of New Focus Richahaus. Mr. Tsai ceased to be a director of New Focus Richahaus as of 26 March 2012. Mr. Tsai and Ms. Lu are therefore connected persons of the Company under the Listing Rules.

VI. INFORMATION ON THE GROUP

The Group focuses on 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.

VII. DEFINITIONS

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

“Acquisition”	means the acquisition of the Sale Shares by the Purchaser from the Vendors pursuant to the Share Purchase Agreement.
“Board”	means board of Directors.
“Closing Day”	means the day of closing of the transfer of the Sale Shares under the Share Purchase Agreement.
“Company”	means 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.
“Completion”	means completion of the Acquisition as contemplated under the Share Purchase Agreement.
“Consideration”	means NTD42,029,326, being the consideration for the sale and purchase of the Sale Shares pursuant to the Share Purchase Agreement.
“Director(s)”	means the director(s) of the Company.
“Group”	means the Company and its subsidiaries.
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“MOEA”	means the Investment Commission, Ministry of Economic Affairs of the Republic of China.

“Mr. Tsai”	Tsai Ming Hui (蔡明輝) who is the husband of Ms. Lu and holds 2,050,656 shares in New Focus Richahauss and ceased to be a director of New Focus Richahauss on 26 March 2012.
“Ms. Lu”	Lu Hsiu Me (呂秀蜜) who is the wife of Mr. Tsai and holds 2,050,655 shares in New Focus Richahauss.
“NTD”	means New Taiwan Dollar, the lawful currency of Taiwan.
“Parties”	means the Purchaser and the Vendors, being the parties to the Share Purchase Agreement.
“PRC”	means the People’s Republic of China.
“Purchaser”	means Perfect Progress Investments Limited, a wholly-owned subsidiary of the Company.
“Sale Shares”	means 4,101,311 ordinary shares of New Focus Richahauss, comprising 2,050,656 shares held by Mr. Tsai and 2,050,655 shares held by Ms. Lu, representing in aggregate approximately 18.68% of the total issued share capital of New Focus Richahauss.
“Share Purchase Agreement”	means the share purchase agreement dated 18 February 2013 entered into between the Purchaser, the Vendors for the purchase of the Sale Shares by the Purchaser from the Vendors.
“Shareholder(s)”	means the shareholder(s) of the Company.
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited.
“Vendors”	means Mr. Tsai and Ms. Lu.
“%”	means per cent.

By order of the Board
New Focus Auto Tech Holdings Limited
HUNG Wei-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, WU Kwan-Hong, HUNG Ying-Lien, LU Yuan Cheng, 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 Hai-Bo, ZHOU Tai-Ming, UANG Chii-Maw and Chih T. Cheung.