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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)

DETERMINATION AND SETTLEMENT OF CONSIDERATION FOR THREE ACQUISITIONS

Reference is made to the three announcements of the Company dated 25 November 2009, 28 June 2011 and 15 November 2012 in relation to the acquisitions of 51% equity interest in Shenzhen Yonglonghang, 51% equity interest in Shanghai Astrace and 100% equity interest in IPO Automotive, respectively.

This announcement is made to update the Shareholders of the Company on the determination and settlement of consideration for the above three acquisitions.

Reference is made to the three announcements of the Company dated 25 November 2009, 28 June 2011 and 15 November 2012 in relation to the acquisitions of 51% equity interest in Shenzhen Yonglonghang, 51% equity interest in Shanghai Astrace and 100% equity interest in IPO Automotive, respectively.

DETERMINATION AND SETTLEMENT OF CONSIDERATION FOR THE ACQUISITION OF SHENZHEN YONGLONGHANG

As announced in the Shenzhen Yonglonghang First Announcement, on 25 November 2009, the Company entered into the Shenzhen Yonglonghang First Acquisition Agreement with the Shenzhen Yonglonghang Vendors pursuant to which the Company has conditionally agreed to acquire 51% equity interest in Shenzhen Yonglonghang for the Consideration (Shenzhen Yonglonghang) to be determined based on the following formula:

Consideration (Shenzhen Yonglonghang) = (A x 25% + B x 35% + C x 40%) x price/earning ratio of 11 times x 51%,

** For identification purpose only*

where,

A = audited net profit after tax of Shenzhen Yonglonghang for the year ended December 31 2010;

B = audited net profit after tax of Shenzhen Yonglonghang for the year ended December 31 2011; and

C = audited net profit after tax of Shenzhen Yonglonghang for the year ended December 31 2012.

As of the date of this Announcement, the initial consideration of RMB25,245,000 has been fully paid by the Company. Pursuant to the Shenzhen Yonglonghang First Acquisition Agreement, the difference between the Consideration (Shenzhen Yonglonghang) and the initial consideration will be payable by the Company to the Shenzhen Yonglonghang Vendors in cash in the case that the Consideration (Shenzhen Yonglonghang) is greater than the initial consideration. In the case that the Consideration (Shenzhen Yonglonghang) is less than the initial consideration, the difference will be payable by the Shenzhen Yonglonghang Vendors to the Company and the Shenzhen Yonglonghang Vendors may at their option pay such sum in cash or by the transfer of equivalent of their equity interest in Shenzhen Yonglonghang to the Company and the percentage of equity interest of Shenzhen Yonglonghang to be transferred shall be determined based on a formula under the Shenzhen Yonglonghang First Acquisition Agreement.

As disclosed in the Shenzhen Yonglonghang Second Announcement, on June 28 2012, the Company entered into the Shenzhen Yonglonghang Second Acquisition Agreement with the relevant vendors and guarantors pursuant to which the Company has conditionally agreed to acquire the remaining 49% equity interest in Shenzhen Yonglonghang for a consideration of RMB 37,240,000 payable in cash. As of the date of this Announcement, Shenzhen Yonglonghang has become a wholly-owned subsidiary of the Company.

As of the date of this Announcement, the audit to determine the audited net profit after tax of Yonglonghang for the three years ended December 31 of 2010, 2011 and 2012 has not been completed. Further announcement will be made when such audit has been completed and the Consideration (Shenzhen Yonglonghang) has been determined accordingly.

DETERMINATION AND SETTLEMENT OF CONSIDERATION FOR THE ACQUISITION OF SHANGHAI ASTRACE

As disclosed in the Shanghai Astrace Announcement, on 28 June 2011, the Company entered into the Shanghai Astrace Acquisition Agreement with the Shanghai Astrace Vendors pursuant to which the Company has conditionally agreed to acquire 51% equity interest in Shanghai Astrace for the Consideration (Shanghai Astrace) to be determined based on the following formula:

Consideration (Shanghai Astrace) = Audited net profit after tax of Shanghai Astrace for the period from 1 July 2011 to 30 June 2012 x price/earning ratio of 9 times x 51%

Pursuant to the Shanghai Astrace Acquisition Agreement, if the Consideration (Shanghai Astrace) is greater than the initial consideration of RMB 64,260,000, which has been fully paid by the Company as of the date of this Announcement, the Company shall not be required to pay the difference to the Shanghai Astrace Vendors. If the Consideration (Shanghai Astrace) is smaller than such initial consideration, the Shanghai Astrace Vendors shall pay the difference to the Company within 1 month from the date on which the audited accounts of Shanghai Astrace for the period from 1 July 2011 to 30 June 2012 is issued.

According to the audit report issued by the auditor engaged by the Company, the audited net profit after tax of Shanghai Astrace for the period from 1 July 2011 to 30 June 2012 was RMB 14,541,606.79. The Consideration (Shanghai Astrace) was determined to be RMB 66,745,975.17 which was greater than the initial consideration of RMB 64,260,000 and no difference shall be paid by either the Company or the Shanghai Astrace Vendors pursuant to the Shanghai Astrace Acquisition Agreement.

DETERMINATION AND SETTLEMENT OF FIRST INSTALLMENT OF CONSIDERATION FOR THE ACQUISITION OF IPO AUTOMOTIVE

As disclosed in the IPO Automotive Announcement, on 15 November 2012, the Purchaser, a wholly-owned subsidiary of the Company, entered into the IPO Automotive Acquisition Agreement with the IPO Automotive Vendors and other parties pursuant to which the Purchaser has conditionally agreed to acquire 100% equity interest in IPO Automotive for the Consideration (IPO Automotive) of NTD 210,000,000 (subject to adjustment).

The Consideration (IPO Automotive) shall be payable in two instalments. The first instalment comprises the first payment of NTD 48,000,000, the second payment of NTD 24,000,000 and the third payment of NTD 33,000,000 (subject to adjustment). As of the date of this Announcement, the first payment and the second payment have been fully settled by the Purchaser. The third payment shall be payable if the 2012 profit target of NTD 9,724,143 as specified in the IPO Automotive Acquisition Agreement and disclosed in the IPO Automotive Announcement is fulfilled. According to the audit report issued by the auditor engaged by the Purchaser, the net profit of IPO Automotive for the 3 months ended 31 December 2012 was NTD 10,477,399 and thus the 2012 profit target has been achieved and the third payment of NTD 33,000,000 shall be payable by the Group.

As of the date of this Announcement, such third payment has been satisfied by the Group in cash as to NTD 22,500,000 and by the allotment and issue of 3,369,376 shares in the Company to the IPO Automotive Vendors as to NTD 10,500,000 at the issue price of HK\$ 0.804 per share pursuant to the IPO Automotive Acquisition Agreement.

The second instalment of the Consideration (IPO Automotive), which comprises NTD105,000,000, will only be payable if the 2013 profit target as specified in the IPO Automotive Acquisition Agreement and disclosed in the IPO Automotive Announcement is fulfilled.

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 (IPO Automotive)”	the consideration payable by the Purchaser for the acquisition of 100% equity interest in IPO Automotive calculated accordingly to the pricing formula as agreed in the IPO Acquisition Agreement
“Consideration (Shanghai Astrace)”	the consideration payable by the Company for the acquisition of 51% equity interest in Shanghai Astrace as finally determined in accordance with the Shanghai Astrace Acquisition Agreement
“Consideration (Shenzhen Yonglonghang)”	the consideration payable by the Company for the acquisition of 51% equity interest in Shenzhen Yonglonghang as finally determined in accordance with the Shenzhen Yonglonghang First Acquisition Agreement
“IPO Automotive”	IPO Automotive Corporation Limited (艾普汽車股份有限公司), a limited liability company established in Taiwan which is owned as to 100% by the Company
“IPO Automotive Acquisition Agreement”	the acquisition agreement dated 15 November 2012 entered into between, among others, the Purchaser, IPO Automotive Vendors for the acquisition of 100% equity interest in IPO automotive by the Purchaser
“IPO Automotive Announcement”	the announcement of the Company dated 15 November 2012 in respect of the acquisition of IPO Automotive by the Group under the IPO Automotive Acquisition Agreement
“IPO Automotive Vendors”	Mr. Zeng Xin He * (曾新和), Ms. Yu Shu Mei * (余淑美) and Ai Feng Investment Company Limited * (艾豐投資股份有限公司)

“Purchaser”	Taiwan New Focus Car Services Co., Ltd (臺灣新焦點汽車服務股份有限公司), a wholly-owned subsidiary of the Company
“Shanghai Astrace”	上海追得貿易發展有限公司 (Shanghai Astrace Trade Development Company Limited *), a limited liability company established in the PRC which is owned as to 51% by the Company.
“Shanghai Astrace Announcement”	the announcement of the Company dated 28 June 2011 in respect of the acquisition of Shanghai Astrace by the Group under the Shanghai Astrace Acquisition Agreement
“Shanghai Astrace Acquisition Agreement”	the acquisition agreement dated 28 June 2011 entered into between the Company and Shanghai Astrace Vendors for the acquisition of 51% equity interest in Shanghai Astrace by the Company
“Shanghai Astrace Vendors”	Ms. Liu Feng Xi (劉鳳喜) and Mr. Xia Hai Ping (夏海平)
“Shares(s)”	the ordinary issued share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Shenzhen Yonglonghang”	深圳市永隆行汽車服務有限公司 (Shenzhen Yonglonghang Auto Service Ltd*), a limited liability company established in the PRC which is owned as to 100% by the Company
“Shenzhen Yonglonghang First Announcement”	the announcement of the Company dated 25 November 2009 in respect of the acquisition of 51% of Shenzhen Yonglonghang by the Group under the Shenzhen Yonglonghang First Acquisition Agreement
“Shenzhen Yonglonghang Second Announcement”	the announcement of the Company dated 28 June 2012 in respect of the acquisition of 49% of Shenzhen Yonglonghang by the Group under the Shenzhen Yonglonghang Second Acquisition Agreement
“Shenzhen Yonglonghang First Acquisition Agreement”	the acquisition agreement dated November 25 2009 entered into between the Company and Shenzhen Yonglonghang Vendors for the acquisition of 51% equity interest in Shenzhen Yonglonghang by the Company

“Shenzhen Yonglonghang Second Acquisition Agreement”	the acquisition agreement dated June 28 2012 entered into between the Company and the relevant vendors and guarantors for the acquisition of 49% equity interest in Shenzhen Yonglonghang by the Company
“Shenzhen Yonglonghang Vendors”	Mr. Yang Yong Chong (楊永崇) and Ms. Li Shao Na (李少娜)
“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, 26 July 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.