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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of New Focus Auto Tech Holdings Limited (the "**Company**") dated 6 July 2015 (the "**Announcement**"), the announcement of the Company dated 7 July 2015 and the announcement of the Company dated 13 July 2015. Terms used in this announcement shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

On 5 July 2015, the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Company conditionally agreed to issue, and the Subscriber 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 at the initial Conversion Price of HK\$3.00 per Share. The completion of the issue of the Convertible Bonds to the Subscriber took place on 13 July 2015.

The net proceeds from the issue of the Convertible Bonds were approximately HK\$192,500,000 (the "**Net Proceeds**"). The Board previously intended to use 65% of the Net 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 included (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.

As of the date of this Announcement, approximately 42% of the Net Proceeds were used for the expansion of automobile service networks; approximately 18% were used to promote the establishment of e-commerce platform of the Group's wholesale business and approximately 40% were used for the general working capital of the Group. The actual use of the Net Proceeds was adjusted by the Directors based on the performance of the relevant business segments of the Group and change in market conditions. The actual use of the Net Proceeds is not in breach of the covenants relating to use of proceeds as contained in the Subscription Agreement.

The Directors are of the view that the actual use of the Net Proceeds is in the interest of the Company and the Shareholders as a whole.

** For identification purposes only*

By order of the Board
New Focus Auto Tech Holdings Limited
Zhang Jianxing
Chairman

Hong Kong, 9 August 2016

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