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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)

(1) COMPLETION OF ISSUANCE OF NEW SHARES UNDER SPECIFIC MANDATE AND (2) ADJUSTMENT TO CONVERSION PRICE OF THE EXISTING CONVERTIBLE NOTES

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that following the passing of the ordinary resolution at the EGM, all of the Conditions have been fulfilled and Completion took place on 19 June 2018. Upon Completion, an aggregate of 1,904,761,905 Subscription Shares have been duly allotted and issued to the Subscriber at the Subscription Price of HK\$0.42 per Subscription Share, representing approximately 28.24% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares. Accordingly, the Subscriber has become a Substantial Shareholder.

ADJUSTMENT TO CONVERSION PRICE OF THE EXISTING CONVERTIBLE NOTES

As a result of the Subscription and upon Completion, the Conversion Price has been adjusted from HK\$0.306085 per Share to HK\$0.280511 per Share pursuant to the Terms and Conditions on 19 June 2018. As at the date of this announcement, the total outstanding principal amount of the Existing Convertible Notes is US\$25,000,000. Assuming that the outstanding principal amount of the Existing Convertible Notes will be fully converted at the adjusted Conversion Price of HK\$0.280511 per Share, subject to the Amendments, an additional 476,703,895 Shares will be issued to the Existing Convertible Notes Holder under the General Mandate.

Reference is made to the circular (the “**Circular**”) and the notice (the “**Notice**”) of extraordinary general meeting (the “**EGM**”) of New Focus Auto Tech Holdings Limited (the “**Company**”) both dated 28 May 2018. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Circular.

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that following the passing of the ordinary resolution at the EGM, all of the Conditions have been fulfilled and Completion took place on 19 June 2018. Upon Completion, an aggregate of 1,904,761,905 Subscription Shares have been duly allotted and issued to the Subscriber at the Subscription Price of HK\$0.42 per Subscription Share, representing approximately 28.24% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares. Accordingly, the Subscriber has become a Substantial Shareholder.

Effect on Shareholding Structure of the Company

The table below sets out a summary of the shareholding structure of the Company (i) immediately before Completion; (ii) immediately after Completion; and (iii) immediately after Completion and, subject to the Amendments, upon full conversion of the Existing Convertible Notes at the adjusted Conversion Price of HK\$0.280511 per Share:

Shareholders	Immediately before Completion		Immediately after Completion		Immediately after Completion and, subject to the Amendments, upon full conversion of the Existing Convertible Notes at the adjusted Conversion Price of HK\$0.280511 per Share (Note 1)	
	Number of Shares	Approximate percentage (%)	Number of Shares	Approximate percentage (%)	Number of Shares	Approximate percentage (%)
CDH	2,889,580,226	59.69	2,889,580,226	42.84	2,889,580,226	40.01
The Subscriber	–	–	1,904,761,905	28.24	1,904,761,905	26.37
Existing Convertible Notes Holder (Note 2)	244,797,640	5.06	244,797,640	3.63	721,501,535	9.99
Other public Shareholders	1,706,393,924	35.25	1,706,393,924	25.30	1,706,393,924	23.63
TOTAL ISSUED SHARES (Note 3)	4,840,771,790	100	6,745,533,695	100	7,222,237,590	100

Notes:

1. As a result of the Subscription and upon Completion, the Conversion Price has been adjusted from HK\$0.306085 per Share to HK\$0.280511 per Share pursuant to the Terms and Conditions on 19 June 2018. Please refer to the section headed “Adjustment to Conversion Price of the Existing Convertible Notes” below for further details.
2. Pursuant to the Convertible Note Purchase Agreement, the Existing Convertible Notes are convertible at the initial Conversion Price of HK\$0.306085 per Share (subject to adjustment) and will be convertible into approximately 886,191,744 Shares upon its full conversion. Pursuant to the partial conversion of the Existing Convertible Notes by the Existing Convertible Notes Holder in an aggregate principal amount of US\$10,000,000 at the Conversion Price of HK\$0.306085 per Share, the Company allotted and issued a total of 253,197,640 Shares to the Existing Convertible Notes Holder, of which 8,400,000 Shares were subsequently disposed of by the Existing Convertible Notes Holder. As at the date of this announcement, 244,797,640 Shares are held by the Existing Convertible Notes Holder. Assuming that the remaining amount of the Existing Convertible Notes will be fully converted at the adjusted Conversion Price of HK\$0.280511 per Share, subject to the Amendments, an additional 476,703,895 Shares will be issued to the Existing Convertible Notes Holder.
3. The approximate percentage of the issued Shares is rounded to the nearest two decimal places and the total percentage of the total issued Shares may not add up to 100% due to rounding.

ADJUSTMENT TO CONVERSION PRICE OF THE EXISTING CONVERTIBLE NOTES

Reference is made to the Convertible Notes Issuance Announcements and the Circular in relation to, among other things, the issue of the Existing Convertible Notes in an aggregate principal amount of US\$35,000,000 (equivalent to approximately HK\$271,250,000) by the Company to the Existing Convertible Notes Holder and the possible adjustment to the Conversion Price, respectively.

Pursuant to the Convertible Note Purchase Agreement, the Existing Convertible Notes are convertible at the initial Conversion Price of HK\$0.306085 per Share (subject to adjustment) and are convertible into approximately 886,191,744 Shares upon its full conversion. Pursuant to the partial conversion of the Existing Convertible Notes by the Existing Convertible Notes Holder in an aggregate principal amount of US\$10,000,000 at the conversion price of HK\$0.306085 per Share, the Company allotted and issued a total of 253,197,640 Shares to the Existing Convertible Notes Holder, of which 8,400,000 Shares were subsequently disposed of by the Existing Convertible Notes Holder. As at the date of this announcement, 244,797,640 Shares are held by the Existing Convertible Notes Holder.

As a result of the Subscription and upon Completion, the Conversion Price has been adjusted from HK\$0.306085 per Share to HK\$0.280511 per Share pursuant to the Terms and Conditions on 19 June 2018. As at the date of this announcement, the total outstanding principal amount of the Existing Convertible Notes is US\$25,000,000. Assuming that the outstanding principal amount of the Existing Convertible Notes will be fully converted at the adjusted Conversion Price of HK\$0.280511 per Share, subject to the Amendments, an additional 476,703,895 Shares will be issued to the Existing Convertible Notes Holder under the General Mandate.

Under the General Mandate, the Directors are authorized to allot and issue up to a maximum of 915,321,257 new Shares. As disclosed in the Convertible Notes Issuance Announcements, in the event that (1) following an exercise of the Conversion Rights, an issue of Shares is required which would exceed the limit on the allotment and issue of Shares under the General Mandate; or (2) immediately after the issuance of the Shares pursuant to an exercise of the Conversion Rights, the Existing Convertible Notes Holder will become a Substantial Shareholder, the Company shall, among other things, (i) issue and deliver, in accordance with the Terms and Conditions, the number of Shares to which the Existing Convertible Notes Holder would have been entitled upon exercise of the Conversion Rights up to the maximum possible that would not (a) exceed the General Mandate or (b) render the Existing Convertible Notes Holder a Substantial Shareholder (as applicable); and (ii) satisfy the exercise of the Conversion Rights by making payment to the Existing Convertible Notes Holder of the cash value alternative. Therefore, the issue of the additional Shares upon conversion of the Existing Convertible Notes at the adjusted Conversion Price will not exceed the limit under the General Mandate or render the Existing Convertible Notes Holder a Substantial Shareholder.

Save for the adjustment to the Conversion Price as set out in this announcement, all other Terms and Conditions shall remain unchanged and in full force and effect.

By order of the Board
New Focus Auto Tech Holdings Limited
Du Jinglei
Chairman

Hong Kong, 19 June 2018

As at the date hereof, the directors of the Company are: executive director – DU Jinglei; non-executive directors – WANG Zhenyu; ZHANG Jianxing and LI Ngai; and independent non-executive directors – HU Yuming, LIN Lei and ZHANG Xiaoya.

* *For identification purposes only*