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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made by New Focus Auto Tech Holdings Limited (the “Company”) pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached announcement of the Company which was released on 20 May 2015 on the website of the Taiwan Stock Exchange Corporation pursuant to the rules of the Taiwan Stock Exchange Corporation.

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

Hong Kong, 20 May 2015

As at the date hereof, 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.

** For identification purposes only*

New Focus Auto Tech Holdings Ltd. Company Presentation



20/5/2015

www.nfa360.com

Contents

- Overview of NFA Group
- Update on the Group's latest development
- Appendices

The largest automobile after-sales services provider and one-stop chain stores in Greater China

Being the only main board listed companies focusing on automobile after-sales market, NFA has become the best integration platform for after-sales market.

Automobile after-sale service markets are waiting for appearance of industrial leader

- Most of the comprehensive service providers with more than 20 stores in the industry are franchisees. There are few self-owned stores providing standardized service and management.
- Most of the providers are regional brand or individual owners such as Beijing Yuefu and Xinqite in Fujian and Zhejiang. Car owners look forward to national chain store network.
- Some chain stores focus only on some service items such as car wash and beauty, maintenance and metal sheet painting for high-end cars of brand from German. However, in addition to convenient geographic position, the owners also need comprehensive services.
- NFA has become the largest comprehensive service provider with 98 stores covering 13 provinces and cities.

Foreign Peer Companies with Limited Market Presence

American players All exited



(2005 – 2009)



(1998 – 2008)

Honeywell

(2003 – 2007)

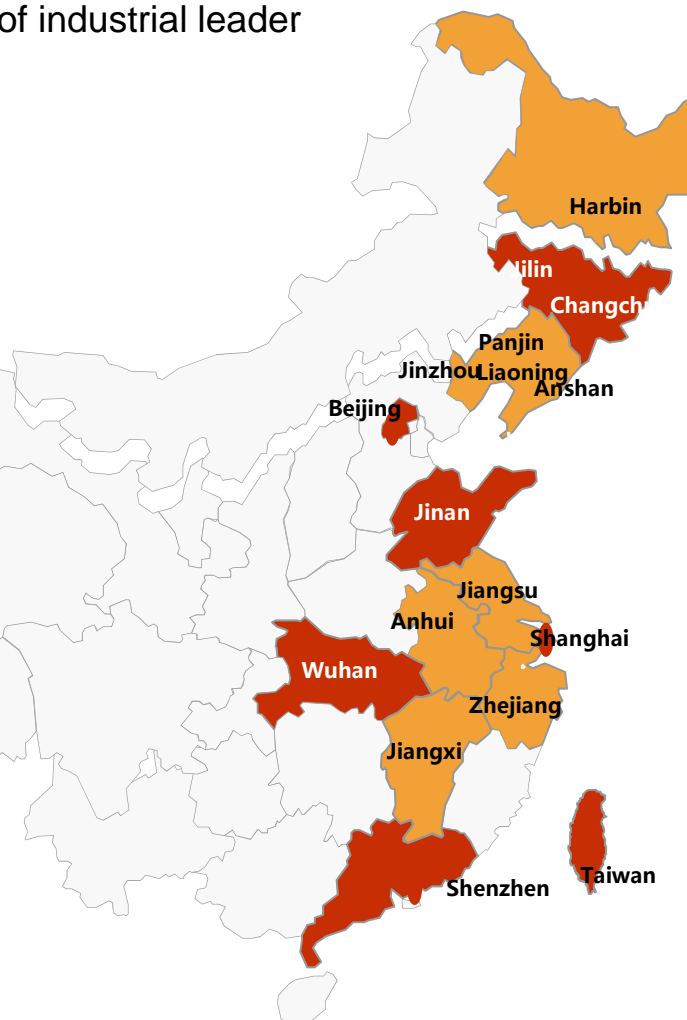
Japanese players maintained a few stores



2 stores
(2004 – now)



7 stores
(2005 – now)



Note : There is no European players that engage in one-stop service stores or wholesale business

Main business sectors of NFA

NFA (HK stock code: 0360, TDR: 9106) is the leading automobile after-sales service provider in Greater China, providing basic auto maintenance, car wash and beauty, metal sheet painting, car insurance and the sales of auto accessory products through its 87 self-owned auto repair and maintenance chain stores and 11 auto accessories wholesale centers. NFA also manufactures and distributes auto electronic and power products to China and other North American & European markets.

Three major business sectors and subsidiaries of NFA

Retail & Service

- One-stop 3S chain stores with floor areas from 800 to 3,000 square meters;
- Providing repair & maintenance, car wash and beauty, metal sheet painting and sales of auto accessories;
- Covering Changchun, Beijing, Jinan, Shanghai, Shenzhen, Taiwan and Wuhan through 87 stores operated by subsidiaries including:
 - ✓ Beijing Aiyihang
 - ✓ Changchun Guangda
 - ✓ Shanghai NFA
 - ✓ Shenzhen NFA Yonglonghang
 - ✓ Taiwan NFA and Aipu Car Beauty

Wholesale (Auto supplies)

Providing auto supplies and maintenance products and consumables to commercial customers including 4S dealership stores, chain stores and mom and pop stores;

Shanghai Astrace is specialized in the brand building and marketing of glass window films and paint protection films and owns brands such as Master Tinting and Backdrop.

- ✓ Zhejiang Autoboom (auto supplies)
- ✓ Liaoning XTC (auto supplies)
- ✓ Shanghai Astrace (solar films)

Manufacturing

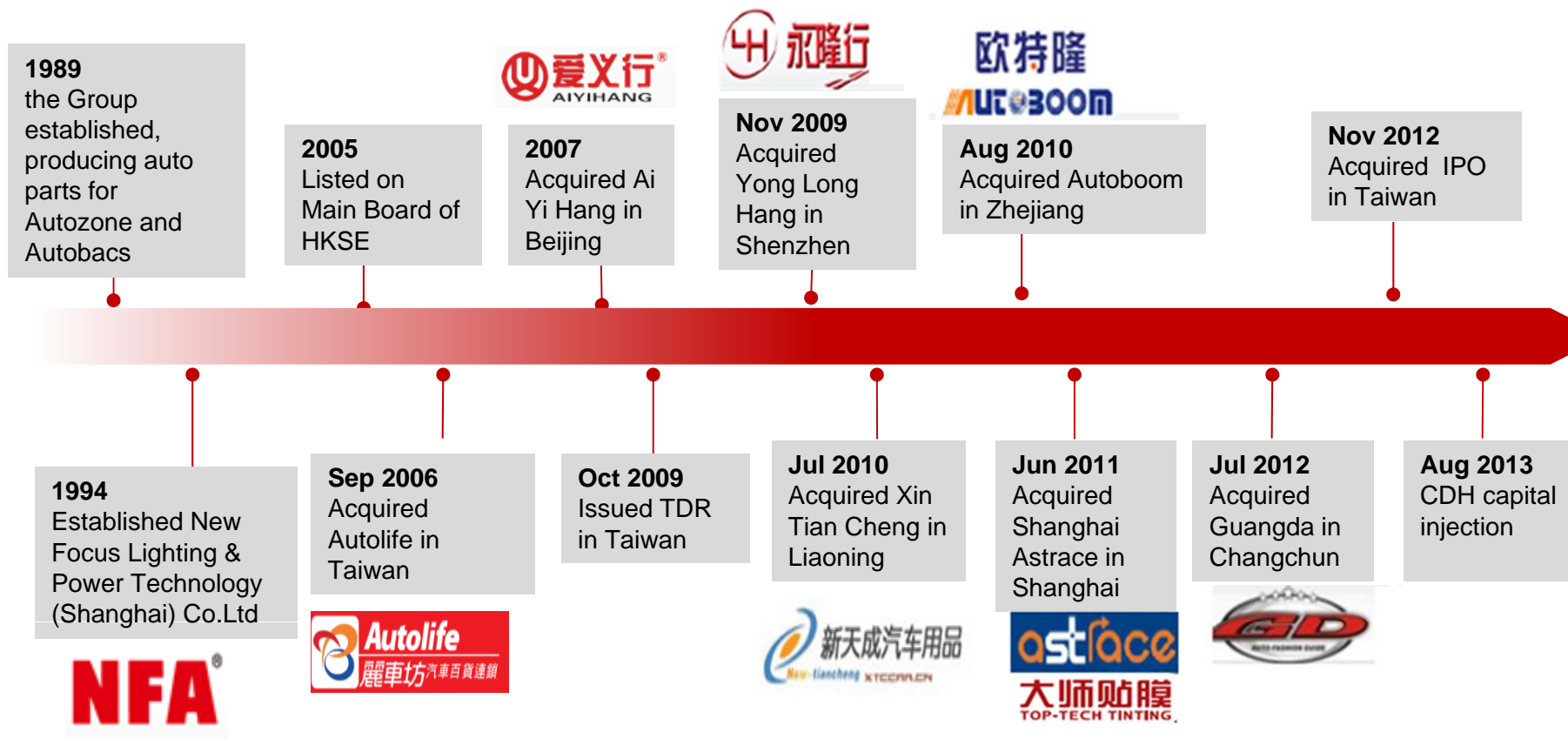
R&D, manufacturing and sales of auto electronics and lighting products sold to customers from Europe and America (Walmart, Canadian Tire, Autozone and etc)

– major products include inverter, cooler and warmer box, power charger and auto lighting products such as HID;

– the only authorized distributor and certified manufacture of Michelin auto supplies (except tires);

- ✓ New Focus Lighting and Power Technology (Shanghai) (electronic and lighting products)
- ✓ Shangdong New Focus Longsheng Auto Accessory (wires & cables)

Company History



Acceleration of business transformation, adjustment of development strategy and improvement of assets structure upon CDH' capital injection

CDH invested in NFA and acquired its controlling interest in Aug 2013

- CDH invested nearly \$97 million, controlling NFA
- CDH appointed 4 directors, CEO, CFO, and other executives to make NFA become the important business integration platform and public companies in auto after-sales market.



4.

Launch of venture plan and reformation of incentive mechanism to attract and retain store personnel to guarantee rapid store openings and enhancement of store profitability



1.

Completed transformation from manufacturing to service evidenced by the fact that revenue from each sector closes to one another. The retail and service business is the biggest sector and the focus for the development in the future

2.

Clear urban strategies and not simply enlarge market presence but focus on share and density of current market and enhancement of brand influence

3.

Adjusting store portfolios by combining community satellite stores and maintenance metal sheet painting centers and copying such portfolios in order to occupy the auto after-sales market in the communities

5.

Strategic cooperation with Sinopec to open retail and service stores inside the gas station to rapidly expand store network and occupy after-sales market in gas station channel

6.

Enhance cooperation with e-commerce provider to create business model facilitating reservation and consumption both online and offline and actively develop self-operated online platform

7.

Strengthen internal resource consolidation and enlarge synergies arising from IT and centralized purchasing

Company network distribution

Numbers of retail service store (Until May 20, 2015)

District	Store Number
East China	3
Shanghai NFA	3
Taiwan	21
New Focus Richahaus	17
IPO	4
South China	12
Shenzhen Yonglonghang	12
North China	25
Aiyihang(Beijing)	15
Aiyihang(Jinan)	10
Central China	10
Aiyihang(Hubei)	10
Northeast	16
Guangda	16
Total	87

Wholesale service network	Store Number
Zhejiang Autoboom (Hangzhou, Nanjing, Suzhou)	3
Xintiancheng (Shenyang, Changchun, Harbin, Anshan, Dalian, Jinzhou, Panjin)	7
Astrace (Shanghai)	1
Total	11

Manufacturing base	Factory number
New Focus Lighting	1
Shandong Longsheng	1
Total	2



Group Vision and Strategy

Vision

Striving to build the largest auto after-sales platform, consolidate and utilize regional and professional advantages of each members so as to provide professional, inexpensive, convenient and good auto services and products and become the trustworthy auto housekeepers of car owners

Strategy

- **Current Business** : focus on expansion of after-sales service network, implement urban strategies, occupy community after-sales market, improve one-stop services and create ecosphere of car owners
 - ✓ Enhance store densities and market share in well-developed cities/regions and increase brand presence and influence;
 - Focus on standardization to unify VI and improve store opening process;
 - Improve purchasing and logistics system and enhance the ability of stores to guarantee supply of auto accessories;
 - Enhance cost control and marketing ability;
 - Add insurance and financing service to increase profitability
 - ✓ Launch of venture plan and improvement of incentive to provide guaranty for rapid expansion of network
 - ✓ Consolidate internal and external resource to increase synergy
- **Choose to acquire business in auto after-sales market or other business** to establish platform for business with potential

Propose to acquire Shenzhen Jiahong to establish whole cycle of auto service industry covering the entire auto life cycle

Summary of subsidiary's business

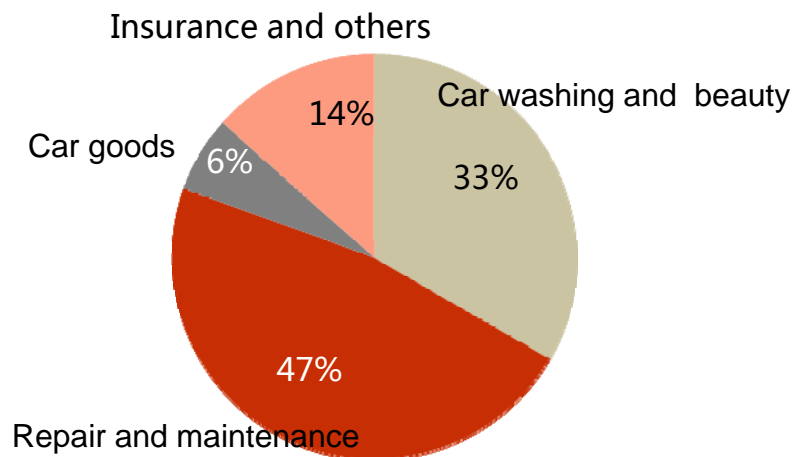
-Beijing Aiyihang



Basic introduction

- 15 self-owned stores in Beijing, 10 in Jinan, 10 in Wuhan, nearly 1300 employees
- 3 metal sheet painting centers in Beijing
- 1,100,000 times of car washing service every year in only Beijing
- Completed transformation of stores from car washing, beauty and auto supplies to car repair and maintenance with rigid demand

Income components of Aiyihang in 2014 (according to service items)



Examples



Operational characteristics

- Standardized and high quality service
- Comprehensive one-step service including car washing, beauty, goods, repair, tires, metal sheet painting, insurance and refit.
- Adopting water circulation system for car washings in Beijing, which lowers the cost and contribute Aiyihang's being awarded as a enterprise taking the lead in environmental protection.
- Stable management team, powerful team culture, strong cohesive force, complete training system, echelon scheme for training pattern

Summary of subsidiary's business

-NFA Yonglonghang



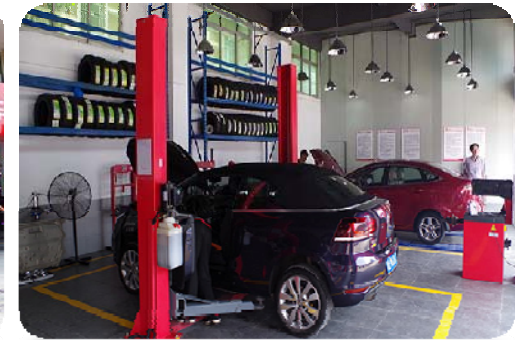
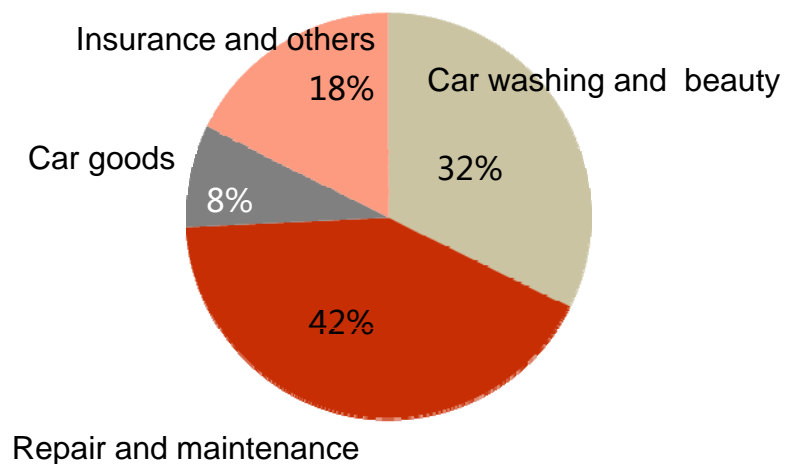
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Examples

Basic introduction

- 12 self-owned stores in Shenzhen, nearly 450 employees
- Expand service network through standardized store portfolios
- Full launch of venture plan to improve employee incentives
- Establish NFA business school to train and reserve personnel for future development

Income components of Yonglonghang in 2014 (according to service items)



Store characteristics:

- Creative ways of opening stores through portfolio of community satellite stores and maintenance and metal sheet painting
- Well-developed team culture and strong cohesion and execution power
- Experimental base for standardized stores, laying foundation for rapid expansion of our group.
- Strong regional brand influence

Summary of subsidiary's business

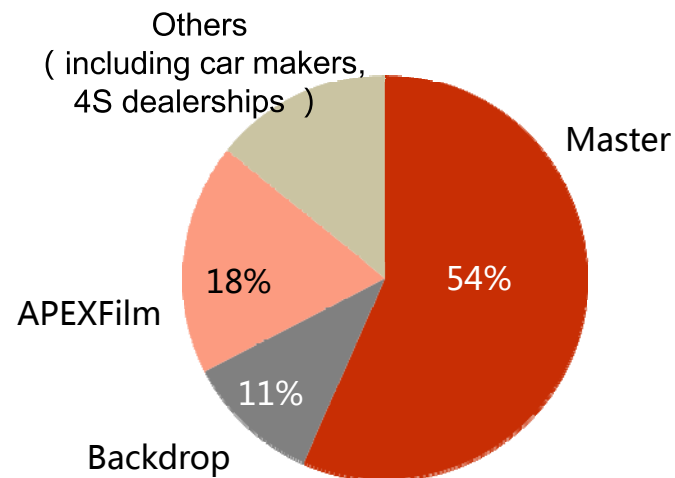
-Shanghai Astrace (car solar film)

Basic introduction

- Astrace is a brand company specialized in car explosion-proof film. Its business covers the entire country and employs about 90 employees
- Astrace aims at providing explosion-proof films of its own brand and marketing support to channel wholesalers (Zhejiang Autoboom), 4S dealerships (Zhongbao, Aotong), auto makers (Changan Linmu)
- Its own brand Master and Backdrop have certain popularity in the industry.

Income components of Astrace in 2014

(according to brands)



Examples



Demonstration store



Brand display area



Computer cutting area



Operation area and display for lamination tools

Operational characteristics :

- Subsidiary with best capacity in brand building and marketing among B2B and most creative team in marketing in the industry of solar film.
- Strategic cooperative partnership with major international solar film makers, acquiring highly competitive product structure and resource

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Group has recently integrated the internal and external resources, expanded network and extended product line



1. Create new business model, rapidly expand store networks and provide unified high quality service

Design attractive venture plan by utilizing the advantages of listed company to align the interest of store managers with interest of our group for the purpose of increasing service stores and brand effect while guaranteeing service quality

- The key for stores to maintain standardized service level is “personnel”. Rapid expansion of service stores and maintenance of stable and high quality customer service and development of standardized chain stores can be achieved only when interest community and complete standardization system are established.
 - ✓ Explore customized venture plan by considering different development stages and features of different regions :
 - ◆ Venture plan featured by “Group Controls” has been fully promoted in Shenzhen
 - ◆ Venture plan featured by “Management Controls” is being piloted in Shanghai;
 - ◆ Other business model is under discussion
 - ✓ **Standardized system establishment** : Standardized system and regulations have been established to deal with staff recruitment, training, ERP, store logo, store decoration and layout, centralized purchasing, excellent sales items, which will facilitate its implementation and promotion.
- Follow industry development trend and provide venture plan to help those employees with abilities and ideas of starting their own business to realize their dreams
- **Features of venture plan**
 - ✓ Comprehensive system: regional headquarter structure have been established
 - ✓ High replicability: standardized manuals for store opening and operation have been completed
 - ✓ Investment return: Equity repurchase by Group to realize liquidity
 - ✓ Market image: leveraging reputation of listed company with 15 years of business operation
 - ✓ Low cost: national centralized purchasing of large bulk products to bring about synergies

Example: “Venture Plan” of opening stores in Shenzhen

Features of Shenzhen model “venture plan”

- **Mature mode:** has opened 6 stores, gradually revise improvement program
- **Well-established system and strong replicability:** the headquarters framework has been set up and standardized manuals for store opening and operation have been completed
- **Low personal investment with zero risk:** interest free loans and full refund
- **Investment security:** strong liquidity, supporting the second time back –home investment



Employee starting their own business



Venture store: Pingji store



Managed by employee who invest

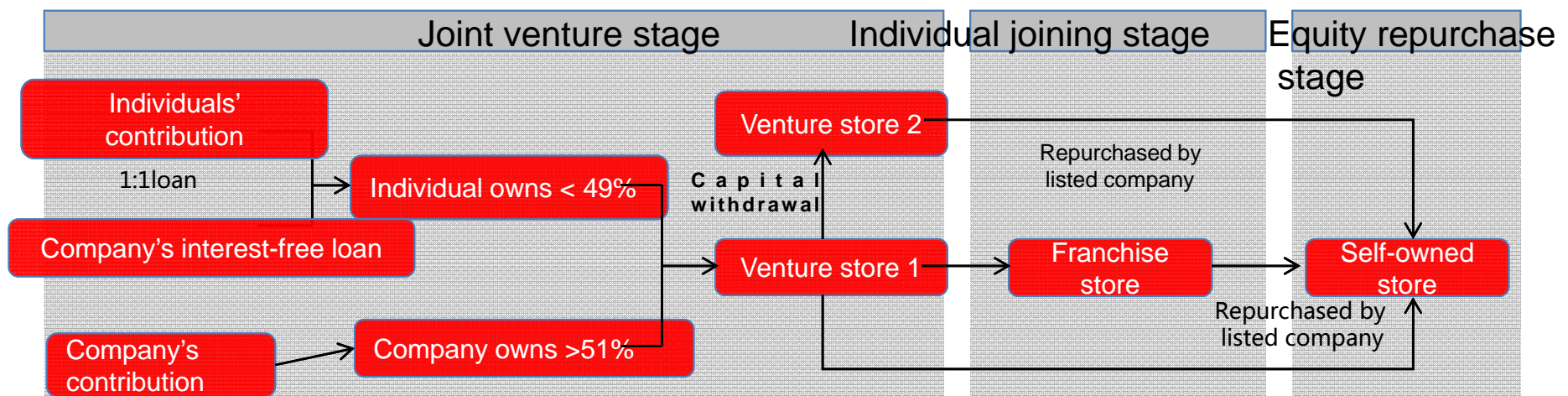


Standardized manual



Venture store: Dongmen Store

Equity cooperation mode



Example: establishing NFA business school to provide additional human resource and identify venture partners

Basic introduction:

- NFA business school, basis for the training of human resource in auto after-sales market, was established to meet the demand for quality calibers of venture plan and auto after-sales market;
- NFA business school was established on 23 Jan 2015;
- The school establishes venture funds to provide initial venture capital of RMB 1 million;
- Principles of school are Opening, Creation and Win-Win;
- The school have teachers including industry analysts, industry leaders and experienced store managers;
- The school can provide model stores and 4S luxury and ultra-luxury car dealership stores as training base.



School opening ceremony



Class



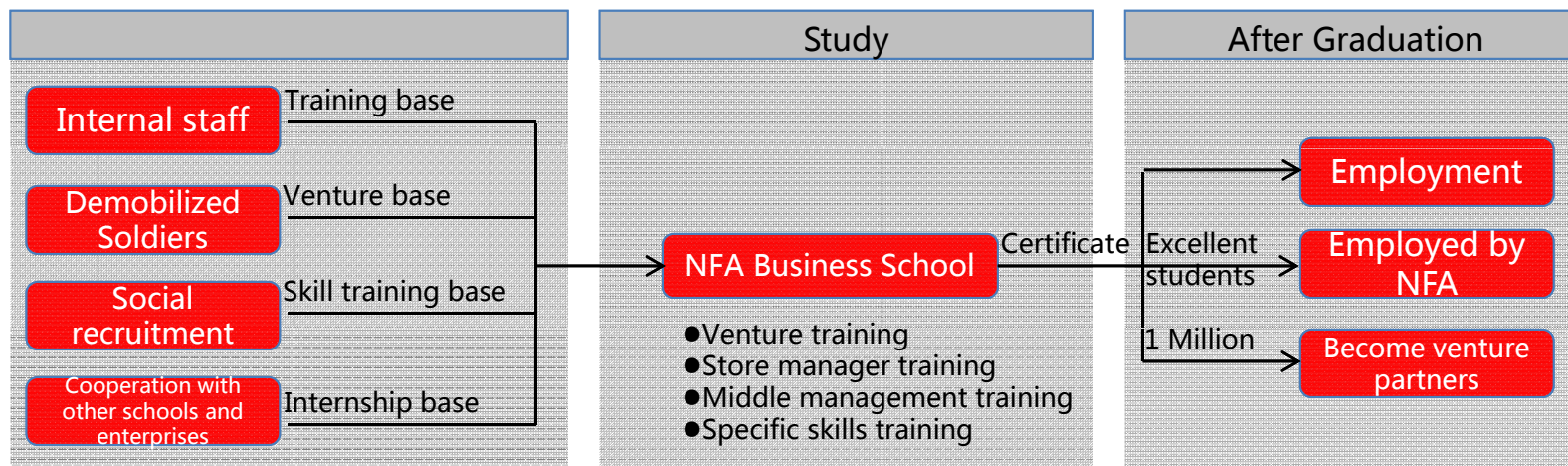
Case study



Prospectus

Teaching Model

Student Recruitment



2. Cooperation with Sinopec to integrate resources

Cooperation with Sinopec was started in 2014 to jointly operate auto after-sales chain stores by combining Sinopec's resources advantages and NFA's professional advantages.

- **Initial Cooperation**

NFA Aiyihang, subsidiary of the Group in Beijing, worked together with Sinopec Hubei to set up medium and small-size stores within the gas stations of Sino-pec Hubei.

- **Objective**

The parties plan to build 300 auto services stores at the gas stations of Sinopec Hubei in Hubei province in the next three years where the location of stores can be decided based on its business demand.

The strategic cooperation can enhance the Group's brand influence and its market share in central region of China. Such business model, if proven successful, can be copied to other markets in China to occupy the auto after-sales market in the section of gas station.



3. Proposed to acquire Shenzhen Jiahong to add to its current business the luxury and ultra-luxury car service

- **NFA proposed to contribute RMB 300 million to acquire 50% equity interest of Shenzhen Jiahong**
 - ✓ Rapidly develop the Group's auto chain services network;
 - ✓ Add a high-end auto after-sales service line with higher gross margin and higher customer loyalty to the Group's current business and ultimately improve cash flow and profitability of the Group;
 - ✓ Obtain access to leading ultra-luxury and luxury car manufacturers, tap into a large addressable after-sales market of luxury car-owners and capture value along the integrated automotive-related value-chain.
- **Shenzhen Jiahong** : one of the leading ultra-luxury car dealership groups in the PRC.
 - ✓ Established in 2001, Shenzhen Jiahong offers the sale of first-hand and second-hand luxury cars, provision of after-sale services for first hand and second-hand luxury cars and is one of the leading ultra-luxury car dealership groups in the PRC.
 - ✓ Shenzhen Jiahong operates 27 luxury and ultra-luxury car dealership stores in tier-one and tier-two cities including Shenzhen, Dongguan, Guangzhou, Zhuhai, Xiamen, Qianzhou, Guiyang, Kunming, Chongqin, Changsha, Jinan, Qingdao, Taiyuan, Chengdu and Zhengzhou.
 - ✓ The major brands operates by Jiahong Rolls Royce, Ferrari, Maserati, BMW, Audi, Imported Volkswagen , Jaguar, Land Rover, Mini, Cadillac and Infiniti



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Public WeChat number of subsidiaries

Section	Public No	WeChat ID	QR Code
Retail	• Beijing Aiyihang	• beijingaiyihang	
	• Jinan Aiyihang	• jinanaiyihang	
	• Guangda Auto Service Chain	• zggdqcfwls	
	• Shanghai NFA	• shxinjiaodian	
	• Yonglonghang Auto Service	• NFA-SZ	

Public WeChat number of subsidiaries

Section	Public No	WeChat ID	QR Code
Wholesale	• Xin Tian Cheng	• Inxtc2013	
	• Zhejiang Autoboom	• zjotl201314	
	• Master Tinting Shanghai flagship store	• astrace001	
Manufacturing	• New Focus		



新焦点汽车技术控股有限公司
New Focus Auto Tech Holdings Limited

THANKS

20/5/2015

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Fearing Tire Undulation No More, First Tire Insurance in the PRC Launched

Tuhu, NFA and Zhong'an Insurance jointly held a press release in the subject of "I Love Tyre-First Tyre Insurance Product in the PRC" on 20 May 2015 in Shanghai. Chen Min, CEO of Tuhu, Zhang Jianxing, CEO of NFA, and Chen Jin, CEO of Zhong'an Insurance attended the press release and witnessed together with the present guests the "Love" between the tire and insurance.

We learned that since May 15 2015, car owners who purchase tires of more than 17 inches from Tuhu and tyres of 14 inches or bigger from NFA will be given tire insurance service for free. Pursuant to the insurance policy, if accidents cause tire undulation or puncture, the car owners will be entitled to a compensation equals to 80% of the purchase price at which the tire was bought if the accident occurs within six months after the tire was bought, and 60% of the purchase price at which the tire was bought if the accident occurs six months after but 12 months before the tire was bought.

In the press release, the speakers of the three companies deeply analyzed the trend for the development of auto after-sales, online and offline car repair and maintenance service in particular the unsatisfactory tire service and the tire accident insurance launched. The management of Tuhu and NFA stated that, with China being the largest market for new cars and the increasing car ownership in China, the car owners are increasingly concerned about the tire which is key to safe drive. Unlike other parts of car, tire has always been the part that suffers the most wear and tear. Damage, undulation or even puncture can happen to the tire if it is used improperly. Disputes may occur among the car makers, tire suppliers and consumers as to which party shall be responsible for the accident to the tire. The management of Zhong'an Insurance said that tire insurance is a gap in the car insurance market in the PRC, therefore many insurance companies will reject the claim for compensation to the damage to the tires on the ground that damage to the tire alone is not covered by the insurance policy, which confuses car owners. Both Tuhu, which operates in the online auto after-sales market, and NFA, which operates physical auto after-sales chain stores, have been aware of such problem that their respective consumers are facing. That's the reason why Tuhu and NFA jointly cooperate with Zhong'an Insurance to create the first tire insurance product in the PRC.

After the press release regarding the launch of tire insurance, the three company's CEO have discussed with the guests present about the prospects of auto after-sales market and other relevant topics.

Tuhu, NFA and Zhong'an Insurance, the three companies which engage in online and offline business and come from different business section and worked together to launch this new tire insurance product, all stated in the press release that they will continue to explore new business and try to jointly launch more new products with more added value to benefit car owners.

About Tuhu:

Tuhu was established in Shanghai in 2011 and is the first B2C e-commerce company in the PRC which engages in the provision of products including tires, engine oils, car maintenance and beauty. It allows the car owners to make reservation online and receive installation service in physical stores.

The consumers can purchase the products and services of Tuhu through channels including website, telephone, WeChat, APP and major e-commerce companies. Tuhu also has cooperation with more than 6,000 physical stores across 30 provinces and 266 cities which can provide its customers with installation services before payments to guarantee their good shopping experience.

Currently, Tuhu has become the largest B2C e-commerce platform in the auto after-sales market of the PRC.

About NFA:

NFA is the largest auto after-sales service provider in Great China and the only company listed in the main board of Hong Kong stock exchange in this industry. It owns nearly 100 self-owned chain stores in more than 10 cities of 9 provinces and Taiwan, engaging in car repair and maintenance, car washing and beauty, metal sheet painting, car insurance and sales of car supplies and accessories.

The self-owned stores of NFA include one-stop service centers of more than 1,000 square meters, community stores and gas stations stores of 100 to 300 square meters and supplemental large metal sheet painting and maintenance centers. NFA is rapidly expanding its service networks, striving to build the largest auto after-sales platform, consolidate and utilize regional and professional advantages of each members so as to provide car owners with professional, inexpensive, convenient and quality auto services and become the most trustworthy auto housekeeper of car owners

About Zhong'an Insurance

With its headquarter located in Shanghai and a registered capital of RMB 1 billion, Zhong'an Insurance's business covers enterprise/family assets insurance, shipment insurance, responsibility insurance, credit guaranty insurance, short-term health/accidental injury insurance.

As the first online insurance institution in the PRC and having no branch in the PRC, Zhong'an Insurance operates its business entirely online and carries out underwriting and claims service on the internet

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