

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in New Focus Auto Tech Holdings Limited (the "Company"), you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

PROPOSALS FOR GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES, RE-ELECTION OF DIRECTORS, ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

A notice convening the annual general meeting of the Company to be held at No. 4589 Wai Qing Song Road, Qingpu District, Shanghai, the PRC on 25 June 2014 at 2:00 p.m. is set out on pages 27 to 32 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete the form of proxy accompanying the notice of the annual general meeting in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude any member of the Company from attending the meeting or any adjournment thereof and voting in person if he so wishes and in such event, the form of proxy will be deemed to be revoked.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
1. Introduction	5
2. General Mandates to Issue and to Repurchase Shares	6
3. Re-election of Directors	7
4. Adoption of New Share Option Scheme and Termination of Existing Share Option Scheme	7
5. Annual General Meeting and Proxy Arrangement	9
6. Recommendation	10
7. General Information	10
APPENDIX I – EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE	11
APPENDIX II – DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING	14
APPENDIX III – SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME	18
NOTICE OF ANNUAL GENERAL MEETING	27

DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme becomes unconditional upon fulfillment of the conditions as set out in paragraph 4 of the “Letter from the Board — Adoption of New Share Option Scheme and Termination of Existing Share Option Scheme” in this circular;
“Annual General Meeting”	the annual general meeting of the Company to be held at No. 4589 Wai Qing Song Road, Qingpu District, Shanghai, the PRC on 25 June 2014 at 2:00 p.m.;
“Articles”	the articles of association of the Company;
“Board”	the board of Directors;
“Company”	New Focus Auto Tech Holdings Limited, a company incorporated in Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“Connected Person(s)”	the meaning ascribed to it under the Listing Rules;
“Directors”	directors of the Company;
“Existing Share Option Scheme”	the share option scheme of the Company approved by the Shareholders and adopted on 13 February 2005 which will expire on 12 February 2015;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Invested Entity”	any entity in which the Company or any Subsidiary holds any equity interest;
“Issuance Mandate”	as defined in paragraph 2(a) of the Letter from the Board in this circular;

DEFINITIONS

“Latest Practicable Date”	22 April 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time);
“Memorandum”	the memorandum of association of the Company;
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the Annual General Meeting, the principal terms of which are set out in Appendix III to this circular;
“Option(s)”	option(s) to subscribe for Shares granted or to be granted pursuant to the Existing Share Option Scheme or, after its expiry, pursuant to the New Share Option Scheme;
“Optionholder(s)”	holder(s) of the Option(s);
“Option Price”	the price per Share at which the Optionholder may subscribe for Shares on the exercise of an Option being the highest of (a) the nominal value of a Share on the date of grant of such Option; (b) the closing price of a Share as stated in the Stock Exchange’s daily quotation sheet on the date of grant of such Option; and (c) the average closing price of a Share as stated in the Stock Exchange’s daily quotations sheets for the five trading days immediately preceding the date of grant of such Option, and as adjusted pursuant to the Existing Share Option Scheme, New Share Option Scheme (as the case may be), if relevant;

DEFINITIONS

“Participant”	(i) any executive director, employee or proposed employee (whether full time or part time) of the Company, any Subsidiary or Invested Entity; (ii) any non-executive director (including independent non-executive directors) of the Company, Subsidiary or Invested Entity; (iii) any supplier of goods or services to the Company or any Subsidiary or any Invested Entity; (iv) any customer of the Company, any Subsidiary or any Invested Entity; (v) any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to the Company, any Subsidiary or any Invested Entity; (vi) any shareholder of the Company, any Subsidiary or any Invested Entity or any holder of any securities issued by the Company, Subsidiary or Invested Entity; (vii) any joint venture partner, business or strategic alliance partner, in each case, of the Company, Subsidiary or any Invested Entity; and (viii) any discretionary trust whose discretionary objects may be any executive director, employee or proposed employee (whether full time or part time) and any non-executive director (including independent non-executive directors) of the Company, any Subsidiary or any Invested Entity, any supplier of goods or services to the Company or any Subsidiary or any Invested Entity; any customer of the Company, any Subsidiary or any Invested Entity; any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to the Company, any Subsidiary or any Invested Entity; any shareholder of the Company, any Subsidiary or any Invested Entity, any holder of any securities issued by the Company, Subsidiary or Invested Entity; and any joint venture partner, business or strategic alliance partner, in each case, of the Company, Subsidiary or any Invested Entity;
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan;
“Register”	the register of members of the Company;

DEFINITIONS

“Repurchase Mandate”	as defined in paragraph 2(b) of the Letter from the Board in this circular;
“RMB”	Renminbi, the lawful currency of the PRC;
“Securities and Futures Ordinance”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended from time to time);
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	in relation to the exercise of an Option, an amount equal to the Option Price multiplied by the number of Shares in respect of which the Option is being exercised;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of Section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (as amended from time to time) or the laws of the Cayman Islands) of the Company whether that company is incorporated in Hong Kong, the Cayman Islands or elsewhere;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers; and
“%”	per cent.



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)

Executive Director:

Mr. Zhang Jianxing

Non-executive Directors:

Mr. Wang Zhenyu

Mr. Hung Wei-Pi

Mr. Ying Wei

Mr. Du Jinglei

Independent Non-executive Directors:

Mr. Hu Yuming

Mr. Lin Lei

Mr. Zhang Jie

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111, Cayman Islands

*Principal place of business
in Hong Kong:*

5/F., 180 Hennessy Road

Wan Chai

Hong Kong

30 April 2014

To the Shareholders,

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO
ISSUE AND TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
ADOPTION OF NEW SHARE OPTION SCHEME AND
TERMINATION OF EXISTING SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the granting of the Issuance Mandate to the Directors; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the extension of the Issuance Mandate by adding to it the aggregate nominal amount of the Shares repurchased by the Company under the Repurchase Mandate; (iv) the re-election of Directors; and (v) the adoption of the New

* For identification purpose only

LETTER FROM THE BOARD

Share Option Scheme and the termination of the Existing Share Option Scheme, and to seek your approval of the relevant ordinary resolutions relating to those matters at the Annual General Meeting.

2. GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

Pursuant to the resolutions passed by the shareholders on 7 June 2013, general mandates were granted to the Directors to repurchase and issue shares respectively. Such general mandate will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of general mandates to the Directors:

- (a) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution (the "Issuance Mandate"), namely, up to a maximum of 589,531,413 Shares on the basis of 2,947,657,066 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be issued or repurchased by the Company before the Annual General Meeting;
- (b) to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution (the "Repurchase Mandate"), namely, up to a maximum of 294,765,706 Shares on the basis of 2,947,657,066 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be issued or repurchased by the Company before the Annual General Meeting;
- (c) conditional on the passing of resolutions to grant the Issuance Mandate and the Repurchase Mandate, to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Issuance Mandate and Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in ordinary resolutions nos. 4A and 4B set out in the notice of Annual General Meeting. The Directors are seeking the grant of the Issuance Mandate to issue Shares and the Repurchase Mandate to repurchase Shares to give the Company the flexibility to do so if and when appropriate.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. RE-ELECTION OF DIRECTORS

Mr. Wang Zhenyu, Mr. Zhang Jianxing and Mr. Hu Yuming will retire from office in accordance with the Articles of the Company. All of the above Directors, being eligible, will offer themselves for re-election.

Mr. Hu Yuming, an independent non-executive Director, has confirmed independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The nomination committee of the Company is also responsible for, inter alia, assessing the independence of independent non-executive Directors. On 28 March 2014, the nomination committee of the Company assessed the independence of the individual independent non-executive Directors based on the independence criteria as set out in Rule 3.13 of the Listing Rules, and considered that all independent non-executive Directors including, Mr. Hu Yuming, remained independent.

The biographical details of each of the retiring Directors who will offer themselves for re-election, as required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, are set out in Appendix II to this circular.

4. ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME

The Existing Share Option Scheme was adopted by the Company by a resolution of the then Shareholders passed on 13 February 2005 and will expire on 12 February 2015. As at the Latest Practicable Date, 48,990,000 Options had been granted by the Company under the Existing Share Option Scheme, which entitled holders thereof to subscribe for 48,990,000 Shares, of which, 5,955,000 Options were exercised, 39,635,000 Options lapsed and 3,400,000 Option were outstanding. The Directors confirm that no further Options will be granted under the Existing Share Option Scheme prior to the date of the Annual General Meeting.

Under the terms of the Existing Share Option Scheme, the Company may, with the approval of the Shareholders in a general meeting, terminate the operation of the Existing Share Option Scheme at any time following which no further grant of options shall be offered under the Existing Share Option Scheme.

Considering the Existing Share Option Scheme will expire on 12 February 2015 and the Company will be unable to grant Options to eligible Participants upon such expiration, the Board proposes to simultaneously terminate the operation of the Existing Share Option Scheme and to approve and adopt the New Share Option Scheme at the Annual General Meeting so as to enable the Company to continue to grant Options at the discretion of the Board at any time when appropriate to eligible Participants as incentives and rewards for their contribution or potential contribution to the Group, subject to the Stock Exchange granting approval for the listing of and permission to deal in, any Shares falling to be allotted and issued upon the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

LETTER FROM THE BOARD

Upon termination of the Existing Share Option Scheme, no further Options will be offered or granted under the Existing Share Option Scheme. However, all the existing Options previously granted but unexercised under the Existing Share Option Scheme will remain valid and exercisable in accordance with their terms of issue after the termination of the Existing Share Option Scheme.

The purpose of the New Share Option Scheme is to provide incentives or rewards to Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and the Invested Entity.

The New Share Option Scheme will become effective for a 10-year period from the Adoption Date. The adoption of the New Share Option Scheme is conditional upon the following:

- (a) the passing of the necessary resolution(s) by the shareholders of the Company in general meeting approving the adoption of the New Share Option Scheme and authorising the Directors to grant Options to subscribe for Shares under the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options granted under the New Share Option Scheme.

If the above condition (b) is not satisfied on or before the date following six months after the Adoption Date (or such later date as the Board may decide), the New Share Option Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Share Option Scheme.

Unless the Directors otherwise determine, there is no general requirement under the rules of the New Share Option Scheme for any minimum period for which an Option must be held or any performance targets which must be achieved before any Options granted under the New Share Option Scheme can be exercised. However, the New Share Option Scheme will give the Board discretion to impose such conditions on the Options where appropriate. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting Options is to remunerate or compensate eligible Participants, and consider it more beneficial to the Company to retain the flexibility to determine when such conditions are appropriate. In addition, the Directors shall have absolute discretion to determine the Option Price for Shares in respect of any particular Option (as described in paragraph (f) of Appendix III to this circular). The Directors consider that the aforesaid criteria and rules will serve to motivate and retain the eligible Participants for contribution to the benefit and success of the Group.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has 2,947,657,066 Shares in issue. Subject to the obtaining of Shareholders' approval with respect to the adoption of the New Share Option Scheme at the Annual General Meeting and assuming that there is no change in the number of Shares in issue prior to the Annual General Meeting, the total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company will be 294,765,706 Shares, representing 10% of the issued share capital of the Company as at the date of approval of the New Share Option Scheme by the Shareholders at the Annual General Meeting.

None of the Directors are appointed as trustees of the New Share Option Scheme or have a direct or indirect interest in the trustee.

The Directors consider that it is not appropriate to state the value of all Options that may be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the option value which have not been determined. Such variables include the option price, exercise period, any lock-up period, any performance targets set and other relevant variables. The Company will disclose the value of any options granted during a financial year or a particular period in its annual report and interim result based on the Black-Scholes option pricing model, the binomial model or a generally accepted comparable methodology.

No Shareholder has a material interest in the adoption of the New Share Option Scheme, and hence no Shareholder is required to abstain from voting on relevant resolution at the Annual General Meeting.

A summary of the principal terms of the rules of the proposed New Share Option Scheme is set out in the Appendix III to this circular. A copy of the rules of the New Share Scheme is available for inspection at the principal office of the Company in Hong Kong at 5/F., 180 Hennessy Road, Wan Chai, Hong Kong.

An application will be made to the Listing Committee for the approval of the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of any such Options that may be granted under the New Share Option Scheme.

An announcement will be made on the outcome of the Annual General Meeting regarding the adoption of the New Share Option Scheme after the Annual General Meeting pursuant to Rule 17.02(1)(a) of the Listing Rules.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 27 to 32 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Issuance Mandate, the Repurchase Mandate, the extension of the Issuance Mandate by the addition thereto of the aggregate nominal amount of the Shares repurchased by the Company pursuant to the Repurchase Mandate, the re-election of Directors, the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme.

LETTER FROM THE BOARD

A form of proxy for use at the Annual General Meeting is enclosed with this circular. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude any member of the Company from attending the meeting or any adjournment thereof and voting in person if he so wishes and in such event, the form of proxy will be deemed to be revoked.

6. RECOMMENDATION

The Directors consider that the granting/extension of the Issuance Mandate, the granting of the Repurchase Mandate, the re-election of Directors, and the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme, are fair and reasonable and in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Repurchase Mandate), Appendix II (Details of the Directors proposed to be re-elected at the Annual General Meeting) and Appendix III (Summary of the Principal Terms of the New Share Option Scheme) to this circular.

Pursuant to the Listing Rules, voting by poll is mandatory at all general meetings (except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands). The chairman of the Annual General Meeting will exercise his power under article 66 of the Articles to demand a poll on each of the resolutions to be proposed at the Annual General Meeting. Results of the poll voting will be announced following the conclusion of the meeting.

Yours faithfully,
On behalf of the Board
Wang Zhenyu
Chairman

This is the explanatory statement required under the Listing Rules to be sent to the Shareholders to enable them to make an informed decision in relation to the granting of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,947,657,066 Shares.

Subject to the passing of the proposed resolution in respect of the granting of the Repurchase Mandate and assuming no further Shares will be issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 294,765,706 Shares (representing 10% of the Shares in issue as at the date of granting of the Repurchase Mandate) during the period from the passing of the resolution relating to the Repurchase Mandate up to the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles to be held; and (iii) the revocation or variation of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting.

2. REASON FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share of the Company and will only be made when the Directors believe that such repurchase will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum, the Articles, the laws of the Cayman Islands, the Listing Rules and/or any other applicable laws. Repurchases pursuant to the Repurchase Mandate will be made out of the profits of the Company or the proceeds of a fresh issue of shares made for such purpose or, subject to the Articles and the laws of the Cayman Islands, out of capital. Any premium payable on a repurchase over the par value of the Shares to be repurchased must be provided from out of the profits of the Company or out of the credit of the share premium account of the Company or, subject to the Articles and the laws of the Cayman Islands, out of capital.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2013 in the event that the repurchase of Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase of Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months and up to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
April	0.74	0.55
May	0.71	0.48
June	0.69	0.48
July	1.27	0.47
August	0.85	0.38
September	0.70	0.395
October	0.74	0.60
November	0.69	0.60
December	0.66	0.52
2014		
January	0.82	0.55
February	0.89	0.68
March	0.81	0.55
April (up to the Latest Practicable Date)	0.66	0.60

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Memorandum, the Articles, the Listing Rules and the applicable laws of the Cayman Islands.

6. DIRECTORS AND CONNECTED PERSONS

As at the Latest Practicable Date, to the best of the knowledge of the Directors having made all reasonable enquiries, none of the Directors nor, any of their respective associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such Repurchase Mandate is approved by the Shareholders and exercised.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders and exercised.

7. TAKEOVERS CODE

If on the exercise of the powers to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, CDH Fast Two Limited held approximately 42.8% of the issued share capital of the Company, and was the substantial shareholder (as defined under the Listing Rules) of the Company. In the event that the Directors should exercise the proposed Repurchase Mandate in full, on the basis that no further Shares are issued or repurchased, and assuming that there is no conversion of the Convertible Bonds (as defined in the announcement of the Company dated 26 June 2013), its interests would be increased to approximately 47.59% of the issued share capital of the Company. Such an increase may give rise to an obligation on the part of CDH Fast Two Limited to make a mandatory offer under Rule 26.1 of the Takeovers Code. The Directors have no present intention to repurchase any Shares to the extent that it will trigger the obligations of CDH Fast Two Limited under the Takeovers Code to make a mandatory offer.

The Directors will use their best endeavors to ensure the Repurchase Mandate will not be exercised to the extent that the number of Shares held by the public would be reduced to less than 25% of the issued shares capital of the Company.

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any Shares on the Stock Exchange during the six months immediately prior to the Latest Practicable Date.

The following sets out the details of the Directors who will retire from office and being eligible for re-election at the Annual General Meeting.

Mr. Wang Zhenyu

Experience

Mr. Wang, aged 50, has been a non-executive Director and the chairman of the Company since August 2013.

Mr. Wang graduated from Hefei University of Technology (合肥工業大學) with a bachelor's degree in machinery engineering in August 1985 and a master's degree in industrial management engineering in July 1988. He has been employed by CDH Investments Management (Hong Kong) Limited ("CDH") since 2008, and his current position is managing director. He is also currently a non-executive director of Xiezhong International Holdings Limited (協眾國際控股有限公司) (Stock Code: 3663). From 2002, he served as a vice President and managing Director with various affiliates of CDH. Prior to joining CDH, from 2000 to 2002, he served as an associate in the investment consultancy department of China International Capital Corporation Limited (中國國際金融有限公司).

Save as disclosed above, Mr. Wang did not hold any directorship in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of Service

Mr. Wang has been appointed by the Company for a term of three years subject to retirement by rotation in accordance with the Articles.

Relationships

Save as disclosed herein, Mr. Wang has no relationship with any Directors, senior management or substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Interest in Shares

So far as the Directors are aware, as at the Latest Practicable Date, Mr. Wang does not have any interest in the Shares (within the meaning of Part XV of the Securities and Futures Ordinance).

Director's emoluments

Mr. Wang has entered into a service agreement with the Company for a term of three years commencing from 28 August 2013, subject to retirement by rotation in accordance with the Articles. Pursuant to the service agreement, Mr. Wang is not entitled to any remuneration from the Company. In addition, Mr. Wang is entitled to a discretionary bonus payable at or before the year end at the discretion of the Board. Mr. Wang did not receive any discretionary bonus for the year ended 31 December 2013.

Matters that need to be brought to the attention of the Shareholders

Save as disclosed herein, there is no other information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders.

Mr. Zhang Jianxing*Experience*

Mr. Zhang, aged 47, has been an executive Director and Chief Executive Officer of the Company since August 2013.

Mr. Zhang received a bachelor of science degree in civil engineering from Tongji University (同濟大學). He has been employed by CDH since 2011, and his current position is operating managing director. Prior to joining CDH, from 2009 to 2011, Mr. Zhang served as an operating director at China Resources Asset Management (華潤資產管理公司). From 2006 to 2009, he worked as a vice president at China Worldbest Group Co., Ltd. (中國華源集團有限公司).

Mr. Zhang did not hold any directorship in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of Service

Mr. Zhang has been appointed by the Company for a term of three years subject to retirement by rotation in accordance with the Articles.

Relationships

Save as disclosed herein, Mr. Zhang has no relationship with any Directors, senior management or substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Interest in Shares

So far as the Directors are aware, as at the Latest Practicable Date, Mr. Zhang does not have any interest in the Shares (within the meaning of Part XV of the Securities and Futures Ordinance).

Director's emoluments

Mr. Zhang has entered into a Service Agreement with the Company for a term of three years commencing from 28 August 2013, subject to retirement by rotation in accordance with the Articles. Pursuant to the service agreement, Mr. Zhang is currently entitled to an annual fee of RMB1,200,000 which is subject to annual review by the Board and is determined on the basis of his role in the Group, responsibilities and experience and the prevailing market rates. In addition, Mr. Zhang is entitled to a discretionary bonus payable at or before the year end at the discretion of the Board. Mr. Zhang did not receive any discretionary bonus for the year ended 31 December 2013.

Matters that need to be brought to the attention of the Shareholders

Save as disclosed herein, there is no other information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Zhang that need to be brought to the attention of the Shareholders.

Mr. Hu Yuming*Experience*

Mr. Hu, aged 48, has been an independent non-executive Director of the Company since August 2013.

Mr. Hu received a bachelor of science degree, a master of science degree and doctoral degree in economics from Xiamen University (廈門大學) in 1986, 1989 and 1995, respectively. Mr. Hu has been a professor at the School of Management of Jinan University (暨南大學管理學院) from 2000 to present and held various teaching positions in Xiamen University (廈門大學) from 1989 to 2000. He had worked for China Resources Jinhua Co., Ltd (華潤錦化股份有限公司) (The Shenzhen Stock Exchange ("SZSE") Stock Code: 000810) as an independent director during the period from 2004 to 2010. Mr. Hu had also worked for Guangzhou Zhujiang Brewery Co., Ltd (廣州珠江啤酒股份有限公司) (SZSE Stock Code: 002461) and Guangdong Hong Da Blasting Co., Ltd (廣東宏大爆破工程股份有限公司) (SZSE Stock Code: 002683) as an independent director during the period from 2009 to 2012 and from 2010 to 2013, respectively. Currently, Mr. Hu is an independent director of Guangzhou Canudilo Fashion and Accessories Co., Ltd. (廣州卡奴迪路服飾股份有限公司) (SZSE Stock Code: 002656) and By-health Co., Ltd. (湯臣倍健股份有限公司) (SZSE Stock Code: 300146). Mr. Hu is currently a non-practising fellow member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會).

Save as disclosed above, Mr. Hu did not hold any directorship in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of Service

Mr. Hu has been appointed by the Company for a term of three years subject to retirement by rotation in accordance with the Articles.

Relationships

Mr. Hu has no relationship with any Directors, senior management or substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Interest in Shares

So far as the Directors are aware, as at the Latest Practicable Date, Mr. Hu does not have any interest in the Shares (within the meaning of Part XV of the Securities and Futures Ordinance).

Director's emoluments

Mr. Hu has entered into a letter of appointment with the Company for a term of three years commencing from 28 August 2013, subject to retirement by rotation in accordance with the Articles. Pursuant to the letter of appointment, Mr. Hu is currently entitled to an annual fee of RMB100,000 which is subject to annual review by the Board and is determined on the basis of his role in the Group, responsibilities and experience and the prevailing market rates.

Matters that need to be brought to the attention of the Shareholders

Save as disclosed herein, there is no other information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning Mr. Hu that need to be brought to the attention of the Shareholders.

NEW SHARE OPTION SCHEME

The following is a summary of the principal terms of the New Share Option Scheme but does not form part of, nor is it intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:

(a) Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to provide incentives or rewards to Participants (as defined below) thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Company or any of its subsidiaries holds any equity interest (the "Invested Entity").

(b) Who may join

The Directors may, at their discretion, invite any participant (the "Participant") being any executive director, non-executive director (including independent non-executive directors) or employee (whether full time or part time), shareholder, supplier, customer, consultant, adviser, other service provider, any joint venture partner, business or strategic alliance partner, in each case, of the Company, any subsidiary of the Company or any Invested Entity or any discretionary trust whose discretionary objects may be any executive director, non-executive director (including independent non-executive directors) or employee (whether full time or part time), shareholder, supplier, customer, consultant, adviser, other service provider, any joint venture partner, business or strategic alliance partner, in each case, of the Company, any subsidiary of the Company or any Invested Entity to take up options to subscribe for Shares in the Company.

(c) Maximum number of shares*(i) 30% limit*

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time (the "Scheme Limit").

(ii) 10% limit

In addition to the Scheme Limit, and subject to the following, the total number of Shares which may be issued upon exercise of all options granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the Listing Date (excluding any options which have lapsed) (the "Scheme Mandate Limit").

The Company may, from time to time, refresh the Scheme Mandate Limit by issuing a circular to the Shareholders and obtaining the approval of its shareholders in general meeting. Once refreshed, the total number of securities which may be issued upon exercise of all options to be granted under the New Share Option Scheme and all other share option schemes of the Company under the limit, as refreshed, must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the New Share Option Scheme and/or any other share option schemes of the Company, including without limitation any options which are outstanding, cancelled, lapsed or exercised, will not be counted for the purpose of calculating the refreshed 10% limit.

The Company may seek separate approval by the Shareholders in general meeting for granting options beyond the refreshed Scheme Mandate Limit provided the options in excess of such limit are granted only to the Participants specifically identified by the Company before such approval is sought. A circular containing a generic description of the specified Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Participants with an explanation as to how the terms of the options serve such purpose and other information required under the Listing Rules must be sent to the Shareholders.

(d) Maximum entitlement of each Participant

Unless approved by Shareholders, the total number of securities issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the relevant class of securities in issue, such further grant must be separately approved by Shareholders in general meeting with such Participant and his associates abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Participant, the number and terms of the options to be granted (and options previously granted to such Participant).

(e) No prescribed performance targets

The Directors may or may not set performance targets that must be achieved before the options can be exercised, but no such performance targets are presently prescribed under the New Share Option Scheme.

(f) Price of Shares

The exercise price must be at least the highest of: (a) the nominal value of a Share on the date of grant; (b) the closing price of a Share as stated in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; and (c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

(g) Amount payable upon acceptance of the option

Acceptance of an offer of the grant of an option shall be by the delivery to and receipt by the Company at its principal place of business in Hong Kong of the form of acceptance sent to the Participant duly completed and signed by the Participant together with a remittance of HK\$10, by way of consideration for the grant thereof, in an envelope marked for the attention of the secretary of the Company.

(h) Period of the New Share Option Scheme

The New Share Option Scheme shall commence on the date it becomes unconditional and shall continue in force until the tenth anniversary of such date.

(i) Rights are personal to the option holder

An option shall be personal to the option holder and shall not be assignable and no option holder shall in any way sell, transfer, change, mortgage, encumber or create any interest in favour of any third party over or in relation to any option.

(j) Time of exercise of option

An option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee of the option which period may commence on a day after the date upon which the option is granted but shall and in any event be not later than ten years from the date of grant. Unless otherwise determined by the Directors at their sole discretion, there is no requirement of a minimum period for which an option must be held.

(k) Grant of an option to connected persons

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (including a discretionary trust whose discretionary objects include a director, chief executive or substantial shareholder (as defined in the Listing Rules)) shall be approved by the independent non-executive directors of the Company (excluding an independent non-executive director who is the grantee of the options). Where any option is proposed to be granted to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates (including a discretionary trust whose discretionary objects include a substantial shareholder (as defined in the Listing Rules) or an independent non-executive director) and such grant would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the past 12-month period up to and including the proposed date of grant of the option:

- (i) representing in aggregate over 0.1% of the Shares of the Company in issue for the time being; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange at the date of each grant, in excess of HK\$5 million,

then the proposed grant must be subject to the approval of shareholders (taken on a poll) in general meeting. All connected persons of the Company must abstain from voting in favour at such general meeting (except that any connected person may vote against the proposed grant and provided that his intention to do so has been stated in the circular). The Company shall issue a circular to the Shareholders explaining the proposed grant, disclosing the number and terms (including the Subscription Price) of the options to be granted to each grantee and containing a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a grantee) on whether or not to vote in favour of the proposed grant and including all the information required under the Listing Rules.

(l) Restrictions on the time of grant of options

A grant of options may not be made after inside information has come to the Company's knowledge until the Company has announced such information in accordance with the requirements of the Listing Rules. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of

- (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

- (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement.

(m) Rights on ceasing to be a Participant

If an option holder who is a director of the Company or any subsidiary of the Company or Invested Entity, or an executive or an employee of the Company or any subsidiary of the Company or Invested Entity ceases to be so engaged:

- (i) by reason of ill-health, injury, disability or death (in each case evidenced to the satisfaction of the Directors) or by reason of his employing company ceasing to be a member of the Group or an Invested Entity or by termination of his employment by his employing company on notice in accordance with the provisions of his contract of employment or with payment in lieu of such notice or on retirement in accordance with his contract of employment or otherwise by agreement with his employing company, then he or (as the case may be) his personal representatives may, notwithstanding any restriction on exercise pursuant to this paragraph (m)(i), exercise all or any of his options (to the extent not already exercised) in whole or in part at any time within a period ending on the earlier of (a) 6 months after the date he ceases to be so engaged and (b) the date on which the relevant option would but for the operation of this paragraph (m)(i) have ceased to be exercisable, and any option or options not so exercised shall lapse and determine at the end of such period; or
- (ii) by reason of his resignation, whether or not in accordance with the provisions of his contract of employment, then all his options (whether or not exercised) shall lapse and determine on the date upon which such resignation is received by his employing company; or
- (iii) by reason of his dismissal without notice (or payment in lieu) for misconduct or other grounds entitling the Company, subsidiary of the Company or Invested Entity (as the case may be) to summarily terminate his employment, then all his options (whether or not exercised) shall lapse and determine immediately without compensation at the time of notification by the Company, subsidiary of the Company or Invested Entity of such termination; or
- (iv) for any reason other than as described in paragraphs (i), (ii) and (iii) above, then all his options shall lapse and determine on the date he so ceases (to the extent not already exercised).

Provided that in any such case the Directors may specify such other conditions or limitations as they may in their absolute discretion think fit in respect of the exercise by the option holder concerned of his options in substitution for those specified in this paragraph (m).

(n) Effect on takeover

If, in consequence of any general offer made to the holders of Shares (being an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, any person shall have obtained control of the Company, then the Directors shall as good as practicable thereafter notify every option holder and each option holder (or his personal representatives) shall be entitled at any time within the period of six months after such control has been obtained to exercise all or any of his options in whole or in part, and to the extent that it has not been so exercised, any option shall upon the expiry of such period lapse and determine, provided that if, during such period, such person becomes entitled to exercise rights of compulsory acquisition of Shares and gives notice in writing to any holders of Shares that he intends to exercise such rights, options shall be and will remain exercisable until one month from the date of such notice and, to the extent that they have not been exercised, shall thereupon lapse and determine.

(o) Effect on winding-up

In the event a notice is given by the Company to its shareholders to convene a shareholders' meeting for the purposes of considering, and if thought fit approving, a resolution to voluntarily wind-up the Company, the Company shall give notice thereof to each option holder whereupon each option holder shall be entitled not later than five business days prior to the proposed shareholders' meeting to exercise his option to its full extent or to the extent specified in such option notice and the Company shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed shareholders' resolution, allot such number of Shares to the option holder which fall to be issued pursuant to the exercise of his option. Subject to the foregoing, an option will lapse automatically (to the extent not exercised) on the date of commencement of the winding-up of the Company.

(p) Effect on reconstruction

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all option holders on the same date as it despatches to each member or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each option holder (or his personal representatives) shall be entitled to exercise all or any of his options in whole or in any part at any time prior to 12 noon on the day immediately preceding the date of the meeting directed to be convened by the Court for the purposes of considering such compromise or arrangement. With effect from the date of such meeting, the rights of all option holders to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall to the extent that they have not been exercised thereupon lapse and determine. If for any reason such compromise or arrangement is not approved by the Court (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court) the rights of option holders to exercise their respective options shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon become exercisable (but subject to the other terms of the New Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company.

(q) Ranking of Shares

A share issued upon exercise of an option shall not carry voting rights until the registration of the option holder (or any other person) as the holder hereof. If under the terms of a resolution passed or an announcement made by the Company prior to the date of allotment of Shares to be made pursuant to any exercise of an option, a dividend is to be or is proposed to be paid to holders of Shares on the register on a date subsequent to such date of allotment, the Shares to be issued upon such exercise will not rank for such dividend. Subject as aforesaid, Shares allotted upon the exercise of an option shall rank *pari passu* in all respects with the Shares in issue on the date of such allotment and will be subject to all the provisions of the articles of association of the Company for the time being in force.

(r) Effect of alteration to capital

In the event of any reduction of capital, sub-division or consolidation of share capital of the Company, any capitalisation issue or rights issue by the Company, the number or nominal amount of Shares comprised in each option (so far as unexercised) and/or the option price thereunder and/or the number of Shares issued or issuable or which may be issued under the New Share Option Scheme may be adjusted in such manner as the Directors may deem appropriate subject to the receipt by them of a statement in writing from the auditors of the Company (acting as experts and not as arbitrators) that in their opinion the adjustments proposed are fair and reasonable, provided always (i) that no increase shall be made in the aggregate Subscription Price

payable on the exercise of any option in respect of the total Shares then comprised therein (ii) that no adjustment shall be made if the same would result in a Participant being deprived of equivalent rights over the same proportion (or as near thereto as is reasonably practicable) of the equity capital of the Company as that to which he was previously entitled, and (iii) no Shares shall be issued at less than its nominal value. However, the issue of any Shares as a result of the exercise of subscription rights under any warrants issued by the Company prior to the date upon which the New Share Option Scheme comes into effect or an issue by the Company of Shares or by the Company of securities wholly or partly convertible into or rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business shall not be regarded as circumstances requiring adjustment.

(s) Cancellation of option granted

The Directors may from time to time, with the consent of the relevant Grantee, cancel any or all options granted but not exercised. The relevant option holders whose options have been cancelled shall not be entitled to any compensation or any consequential loss as a result of such cancellation.

Where the Company cancels options and issues new options to the same option holder, the issue of such new options may only be made under the New Share Option Scheme with available unissued options (excluding the cancelled options) within the limit approved by Shareholders as mentioned in note (1) to Rule 17.03(3) of the Listing Rules.

(t) Lapse of options

An option shall automatically lapse and determine upon occurrence of the events stated in paragraphs (m), (n), (o) and (p) above, subject to the terms set out therein.

(u) Termination and alteration of New Share Option Scheme

The Company by resolution in general meeting or the Directors may at any time terminate the operation of the New Share Option Scheme and in such event no further offer will be made to grant options but in all other respects the provisions of the New Share Option Scheme shall remain in force and all options granted prior to such termination shall continue to be valid and exercisable in accordance therewith.

The Directors may from time to time in their absolute discretion waive or amend the provisions of the New Share Option Scheme without Shareholders' approval as they deem desirable provided that:

- (i) such amendments must not result in the non-compliance of the Listing Rules for the time being;
- (ii) the Directors may not amend any of the provisions of the Share Option Scheme so as to alter to the advantage of Participants any of the provisions relating to the matters set out in Rule 17.03 of the Listing Rules except with the prior sanction of the shareholders of the Company in general meeting; and

- (iii) any alterations to the terms and conditions of the New Share Option Scheme, which are of a material nature or any change to the terms of options granted, shall be subject to the approval of the Shareholders, save where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

Any change in the terms of the New Share Option Scheme which changes the power or authority of the Board to alter the terms of such New Share Option Scheme must be approved by Shareholders in general meeting.

(v) Disclosure in annual and interim reports

The Company will disclose details of the New Share Option Scheme in its annual and interim reports the information as required under Rules 17.07, 17.08 and 17.09 of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of New Focus Auto Tech Holdings Limited (the “Company”) will be held at No. 4589 Wai Qing Song Road, Qingpu District, Shanghai, the PRC on 25 June 2014 at 2:00 p.m. for the purpose of transacting the following business:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the Directors and the Auditors for the year ended 31 December 2013;
2. A. To re-elect the following retiring Directors:
 - (i) Mr. Wang Zhengyu as a non-executive Director;
 - (ii) Mr. Zhang Jianxing as an executive Director; and
 - (iii) Mr. Hu Yuming as an independent non-executive Director.
- B. To authorise the Board of Directors to fix the remuneration of all Directors of the Company;
3. To re-appoint KPMG as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

4. To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

A. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or any issue of shares of the Company on the exercise of the Subscription rights attaching to any warrants which may be issued by the Company from time to time or on the exercise of any options granted under the share option scheme of the Company or an issue of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this resolution.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holders of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

B. “THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of securities authorised to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and
 - (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this resolution.”
- C. “**THAT** conditional on the passing of the resolutions set out in paragraphs 4A and 4B of the notice convening this meeting, the general mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares pursuant to the resolution set out in paragraph 4A of the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution set out in paragraph 4B of the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution.”
- 5. To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:
 - A. “**THAT** the existing share option scheme (the “Existing Share Option Scheme”) of the Company adopted on 13 February 2005 be and is hereby terminated and conditional upon the Stock Exchange granting the listing of and permission to deal in the shares (the “Shares”) of HK\$0.10 each in the capital of the Company falling to be allotted and issued pursuant to the new share option scheme (the “New Share Option Scheme”), the terms of which are set out in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted and the directors (the “Directors”) of the Company be and are hereby authorised:
 - (i) to grant options and to allot, issue and deal in the Shares falling to be allotted and issued upon the exercise of any option granted thereunder;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) to alter and/or modify the New Share Option Scheme from time to time provided that such alternation and/or modification is effected in accordance with the provisions of the New Share Option Scheme and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange; and
 - (iii) to take all such steps as they may consider necessary or expedient to implement the New Share Option Scheme.”
- B. “**THAT** the aggregate nominal amount of share capital to be allotted and issued pursuant to resolution numbered 5(A) above, together with any issue of Shares upon the exercise of any options granted under any other share option schemes of the Company as may from time to time adopted by the Company, shall not exceed 10 per cent. of the Shares in issue as at the date of passing of this resolution (the “Mandate Limit”).”

By Order of the Board
Wang Zhenyu
Chairman

Hong Kong, 30 April 2014

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
5/F., 180 Hennessy Road
Wan Chai
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is holding two or more shares of the Company is entitled to appoint more than one proxies to attend and vote in his stead. If more than one proxies are appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude any member from attending the meeting or any adjournment thereof and voting in person if he so wishes and in such event, the form of proxy will be deemed to be revoked.
3. The register of members of the Company will be closed from Monday, 23 June 2014 to Wednesday, 25 June 2014 (both dates inclusive) during which period no transfer of shares will be registered. In order to be entitled to attend the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 20 June 2014.
4. As at the date hereof, the Directors of the Company are: As at the date hereof, the Directors of the Company are: executive Director – Zhang Jianxing; non-executive Directors – Wang Zhenyu, Hung Wei-Pi John, Ying Wei and Du Jinglei; and independent non-executive Directors – Hu Yuming, Lin Lei and Zhang Jie.