NFA®

NEW FOCUS AUTO TECH HOLDINGS LIMITED

新焦點汽車技術控股有限公司*

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 360)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

The board of directors (the "Board") of New Focus Auto Tech Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014
(Expressed in Renminbi)

	Note	**2014** **RMB'000**	2013 *RMB'000*
Turnover	*4*	**1,397,498**	1,414,616
Cost of sales and services		**(1,100,379)**	(1,156,592)
Gross profit		**297,119**	258,024
Other revenue and gains and losses	*5*	**49,078**	(17,952)
Distribution costs		**(225,042)**	(252,116)
Administrative expenses		**(121,268)**	(160,159)
Impairment loss on goodwill		**–**	(154,696)
Impairment loss on other intangible assets		**–**	(211,722)
Impairment loss on property, plant and equipment		**–**	(1,006)
Finance costs	*6*	**(26,266)**	(25,635)
Loss before taxation		**(26,379)**	(565,262)
Income tax expenses	*8*	**(9,422)**	48,412
Loss for the year		**(35,801)**	(516,850)

* *For identification purposes only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(Continued)*
For the year ended 31 December 2014
(Expressed in Renminbi)

	Note	**2014** **RMB'000**	2013 RMB'000
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(7,037)**	3,033
Other comprehensive income for the year, net of tax		**(7,037)**	3,033
Total comprehensive income for the year		**(42,838)**	(513,817)
(Loss)/profit for the year attributable to			
– Owners of the Company		**(43,223)**	(446,700)
– Non-controlling interests		**7,422**	(70,150)
		(35,801)	(516,850)
Total comprehensive income attributable to			
– Owners of the Company		**(50,260)**	(443,667)
– Non-controlling interests		**7,422**	(70,150)
		(42,838)	(513,817)
Loss per share	*10*		
Basic (RMB cents)		**(1.27)**	(31.60)
Diluted (RMB cents)		**(1.27)**	(31.60)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2014
(Expressed in Renminbi)

	Note	**31 December 2014 RMB'000**	31 December 2013 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**185,696**	220,848
Leasehold land and land use rights		**32,324**	41,793
Investment properties		**42,033**	47,958
Goodwill		**146,256**	146,256
Other intangible assets		**47,919**	49,003
Deferred tax assets		**15,653**	15,239
		469,881	521,097
Current assets			
Inventories		**214,646**	259,845
Tax recoverable		**5**	311
Trade receivables	*11(a)*	**131,356**	180,238
Deposits, prepayments and other receivables	*11(b)*	**199,618**	123,327
Amounts due from related companies		**3,186**	4,325
Trading securities		**–**	196
Pledged time deposits		**6,212**	22,529
Cash and cash equivalents		**163,511**	234,865
		718,534	825,636
Current liabilities			
Bank borrowings, secured		**152,620**	128,269
Trade payables	*12*	**190,445**	210,799
Accruals and other payables		**134,639**	218,129
Amount due to related parties		**–**	12,758
Amounts due to non-controlling owners of subsidiaries		**5,000**	7,900
Tax payable		**1,598**	1,928
		484,302	579,783
Net current assets		**234,232**	245,853
Total assets less current liabilities		**704,113**	766,950

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
As at 31 December 2014
(Expressed in Renminbi)

	Note	**31 December 2014** *RMB'000*	31 December 2013 *RMB'000*
Non-current liabilities			
Bank borrowings, secured		**9,209**	10,658
Convertible bonds		**134,755**	239,526
Deferred tax liabilities		**19,852**	23,091
		163,816	273,275
NET ASSETS		**540,297**	493,675
CAPITAL AND RESERVES			
Share capital		**307,931**	242,704
Reserves		**102,824**	88,204
Total equity attributable to owners of the Company		**410,755**	330,908
Non-controlling interests		**129,542**	162,767
TOTAL EQUITY		**540,297**	493,675

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1. ORGANISATION AND PRINCIPAL ACTIVITIES

New Focus Auto Tech Holdings Limited (the "Company") was incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands. Its principal place of business is in Shanghai, the People's Republic of China (the "PRC").

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacture and sale of electronic and power-related automotive parts and accessories; and the provision of automobile repair, maintenance and restyling services and retail distribution of merchandise goods through its service chain stores network in the Greater China Region and trading of automobile accessories. The Company and its subsidiaries are collectively referred to the Group.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (IASs) and Interpretations issued by the IASB. In addition, the financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. A summary of the significant accounting policies adopted by the Group is set out below.

The consolidated financial statements were authorised for issue by the Board of Directors on 19 March 2015.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(a) Critical judgments in applying accounting policies

The following is the critical judgement that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect of the amounts recognised in financial statements.

(i) Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Judgment is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

(ii) Other intangible assets and amortisation

The Group determines the estimated useful lives and related amortisation for the Group's other intangible assets. The useful lives of other intangible assets are assessed to be either finite or indefinite, based on the expected usage and technical obsolescence from the changes in the market demands or services output from the assets. Other intangible assets with finite useful lives are amortised over the expected useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for the intangible assets with finite useful lives are reviewed by the management at least at the end of each reporting period.

(b) Key sources of estimation uncertainty

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2014 is included in the follow:

(i) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value.

(ii) *Impairment of non-financial assets (other than goodwill)*

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash – generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(iii) *Impairment of trade and other receivables*

The Group's management determines the allowance for impairment of trade and other receivables. This estimate is based on the credit history of its customers and debtors and the current market condition. Management will reassess the allowance at end of each reporting period.

(iv) *Net realisable value of inventories*

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of competitors' actions in response to severe industry cycles. Management will reassess the estimations at end of each reporting period.

4. TURNOVER AND SEGMENT INFORMATION

Turnover, which is also revenue, represents the sales value of goods supplied and services provided to customers and is analysed as follows:

	2014	2013
	RMB'000	*RMB'000*
Sale of goods	**947,279**	973,732
Service income	**450,219**	440,884
	1,397,498	1,414,616

(a) Reportable Segment

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The Group operates in three reportable segments: (i) the manufacture and sale of automobile accessories (the "Manufacturing Business"); (ii) trading of automobile accessories (the "Wholesale Business"); and (iii) the provision of automobile repair, maintenance and restyling services (the "Retail Service Business").

Inter-segment transactions are priced with reference to prices charged to external parties for similar orders. Central expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the chief operating decision makers for assessment of segment performance.

Set out below is an analysis of segment information:

	The Manufacturing Business *RMB'000*	The Wholesale Business *RMB'000*	The Retail Service Business *RMB'000*	Total *RMB'000*
For the year ended 31 December 2014				
Revenue				
External revenue	**437,343**	**443,257**	**516,898**	**1,397,498**
Inter-segment revenue	**1,072**	**2,949**	**3,866**	**7,887**
Segment revenue	**438,415**	**446,206**	**520,764**	**1,405,385**
Less: inter-segment revenue				**(7,887)**
Total revenue				**1,397,498**
Reportable segment results	**4,712**	**2,296**	**11,296**	**18,304**
Interest income	**3,285**	**70**	**1,080**	**4,435**
Unallocated interest income				**896**
Total interest income				**5,331**
Interest expenses	**(1,188)**	**(202)**	**(1,405)**	**(2,795)**
Unallocated interest expenses				**(23,471)**
Total interest expenses				**(26,266)**
Depreciation and amortisation charges	**(14,714)**	**(4,379)**	**(21,479)**	**(40,572)**
Unallocated depreciation and amortisation charges				**(2,508)**
Total depreciation and amortisation charges				**(43,080)**
Reportable segment assets	**482,534**	**159,752**	**520,678**	**1,162,964**
Total additions to non-current assets	**14,911**	**1,797**	**5,402**	**22,110**
Reportable segment liabilities	**269,542**	**62,710**	**190,544**	**522,796**

	The Manufacturing Business *RMB'000*	The Wholesale Business *RMB'000*	The Retail Service Business *RMB'000*	Total *RMB'000*
For the year ended 31 December 2013				
Revenue				
External revenue	418,787	471,338	524,491	1,414,616
Inter-segment revenue	1,656	–	–	1,656
Segment revenue	420,443	471,338	524,491	1,416,272
Less: inter-segment revenue				(1,656)
Total revenue				1,414,616
Reportable segment results	(43,158)	(261,766)	(196,575)	(501,499)
Interest income	732	124	365	1,221
Unallocated interest income				1,047
Total interest income				2,268
Interest expenses	(1,354)	(179)	(934)	(2,467)
Unallocated interest expenses				(23,168)
Total interest expenses				(25,635)
Impairment loss on goodwill	–	(62,278)	(92,418)	(154,696)
Impairment loss on other intangible assets	–	(186,813)	(24,909)	(211,722)
Impairment loss on property, plant and equipment	(1,006)	–	–	(1,006)
Depreciation and amortisation charges	(17,301)	(5,204)	(29,061)	(51,566)
Unallocated depreciation and amortisation charges				(2,658)
Total depreciation and amortisation charges				(54,224)
Reportable segment assets	405,896	254,349	568,085	1,228,330
Total additions to non-current assets	8,676	2,781	45,844	57,301
Reportable segment liabilities	209,712	108,528	424,998	743,238

(b) Reconciliation of reportable segment profit or loss, and assets and liabilities

	2014	2013
	RMB'000	*RMB'000*
Loss before income tax expense		
Reportable segment profit/(loss)	**18,304**	(501,499)
Unallocated other revenue and gains and losses	**4,523**	(3,721)
Unallocated corporate expenses	**(25,735)**	(36,874)
Unallocated finance costs	**(23,471)**	(23,168)
Consolidated loss before income tax expense	**(26,379)**	(565,262)

	31 December 2014	31 December 2013
	RMB'000	*RMB'000*
Assets:		
Reportable segment assets	**1,162,964**	1,228,330
Unallocated corporate assets	**25,451**	118,403
Consolidated total assets	**1,188,415**	1,346,733
Liabilities:		
Reportable segment liabilities	**522,796**	743,238
Unallocated corporate liabilities	**125,322**	109,820
Consolidated total liabilities	**648,118**	853,058

(c) Geographical segments

Segment revenue from external customers of the Group and non-current assets other than financial instruments and deferred tax assets ("Specified non-current assets") by geographical locations is presented as below:

	Revenue from external customers		Specified non-current assets	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
PRC (Place of domicile)	**887,663**	911,191	**427,628**	476,054
America	**305,128**	230,276	**–**	–
Europe	**42,806**	104,451	**–**	–
Asia Pacific	**28,712**	26,538	**–**	–
Taiwan	**133,189**	142,160	**26,600**	29,804
	1,397,498	1,414,616	**454,228**	505,858

The revenue information is based on the locations of the customers.

(d) Major customers

During the year, the Group's customer base is diversified and there was no customer (2013: Nil) with whom transactions exceeded 10% of the Group's revenues.

5. OTHER REVENUE AND GAINS AND LOSSES

	2014	2013
	RMB'000	*RMB'000*
Gross rentals from investment properties and other rental income	**3,097**	3,732
Interest income from bank deposits	**5,331**	2,268
Gain/(Loss) on disposal of property, plant and equipment, net	**7,550**	(18,779)
Valuation gains on investment properties	**1,075**	817
Sale of scrap inventories and sample income	**1,112**	1,301
Government subsidies[#]	**1,658**	932
Sponsorship income	**329**	442
Exchange losses, net	**(1,679)**	(8,875)
Gain on change in fair value of contingent consideration payable for acquisitions	**–**	1,156
Written-off of consideration payables and other payables	**24,202**	–
Investment income on disposal of subsidiary and trading securities	**2,395**	–
Others	**4,008**	(946)
	49,078	(17,952)

[#] The balance represented compensation income from local governments for taxes paid by certain subsidiaries in the PRC and subsidies granted by the PRC local governments.

6. FINANCE COSTS

	2014	2013
	RMB'000	*RMB'000*
Interests on bank borrowings repayable		
– within five years	**8,519**	16,114
– after five years	**211**	257
Interest on Renminbi-denominated bonds	**–**	4,568
Interest on convertible bonds (including imputed interest)	**17,536**	4,696
	26,266	25,635

7. LOSS BEFORE INCOME TAX EXPENSE

	2014 *RMB'000*	2013 *RMB'000*
This is arrived at after charging:		
Cost of inventories*	**1,094,658**	1,132,519
Write-down of inventories	**5,721**	25,657
Reversal of write-down in previous year	**–**	(1,584)
	1,100,379	1,156,592
Depreciation of property, plant and equipment	**41,820**	52,964
Amortisation of		
Leasehold land and land use rights	**1,260**	1,260
Total depreciation and amortisation charges	**43,080**	54,224
Additional allowance for doubtful debts on trade receivables	**1,872**	9,404
Additional allowance for doubtful debts on other receivables	**–**	500
Auditors' remuneration	**2,000**	2,800
Operating lease expense	**63,783**	65,566
Employee benefit expenses (including directors' remuneration)		
Salaries and allowances	**249,552**	249,032
Pension fund contributions	**16,601**	18,523
Equity-settled share-based payments	**2,246**	53
Other benefits	**8,080**	13,509
Total employee benefit expenses	**276,479**	281,117

* Costs of inventories includes RMB185,622,000 (2013: RMB183,430,000) relating to employee benefit expenses, depreciation and amortisation charges, which are also included in the respective total amounts disclosed separately above.

8. INCOME TAX EXPENSES

(a) Amounts recognized in profit or loss

	2014 *RMB'000*	2013 *RMB'000*
Current tax expense		
–Current year		
PRC	**9,907**	13,733
Taiwan	**–**	190
–Adjustment for prior years	**1,038**	(5,146)
–Land appreciation tax	**1,570**	–
	12,515	8,777
Deferred tax expense		
–Origination and reversal of temporary differences, net	**(3,093)**	(57,189)
	(3,093)	(57,189)
	9,422	(48,412)

(b) No provision for Hong Kong profits tax has been made as the Group had no taxable profits arising in Hong Kong for the years ended 31 December 2014 and 2013. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

The applicable PRC and Taiwan income tax rate is 25% (2013:25%) and 17% (2013:17%) respectively for the year. One major PRC subsidiary of the Company, renewed the qualification of high and new tech enterprise in the PRC, is subject to an applicable national PRC income tax rate of 15% (2013:15%) for three years from 1 January 2014.

(c) The income tax expense for the year can be reconciled to the loss before income tax expense per consolidated statement of comprehensive income as follows:

	2014 *RMB'000*	2013 *RMB'000*
Loss before income tax expense	**(26,379)**	(565,262)
Tax calculated at applicable tax rate of 25% (2013: 25%)	**(6,595)**	(141,316)
Tax effect of non-taxable income	**–**	(685)
Tax effect of non-deductible expenses	**3,641**	36,123
Utilisation of tax losses not previously recognised	**(1,454)**	–
Unrecognised tax losses	**8,928**	35,167
Effect of preferential tax treatments and tax exemptions	**(2,551)**	4,743
Effect of different tax rates of subsidiaries operating in other jurisdictions	**7,053**	17,568
Under-provision/(over-provision) in respect of prior years	**1,038**	(5,146)
Land appreciation tax over-provided in respect of prior years	**(979)**	–
Land appreciation tax arising from the valuation on investment properties	**341**	5,134
Income tax expense	**9,422**	(48,412)

9. DIVIDEND

The board of directors did not recommend the payment of a final dividend for the year ended 31 December 2014 (2013: RMB Nil). No interim dividend was declared in respect of the year ended 31 December 2014 (2013: RMB Nil).

10. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year attributable to the owners of the Company, and the weighted average number of ordinary shares in issue during the year.

The calculation of diluted loss per share is based on the loss for the year attributable to the owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted loss per share are based on:

	2014	2013
	RMB'000	*RMB'000*
Loss		
Loss for the year attributable to the owners of the Company, used in the basic and diluted loss per share calculation	**(43,223)**	(446,700)

	2014	2013
Shares		
Weighted average number of ordinary shares for the basic loss per share calculation	**3,400,101,211**	1,414,085,597
Effect of dilution – weighted average number of ordinary shares:		
– Share options#	**–**	–
– CDH CBs*	**–**	–
Weighted average number of ordinary shares adjusted for the effect of all potential ordinary shares	**3,400,101,211**	1,414,085,597

The computation of diluted loss per share for the years ended 31 December 2014 does not assume the conversion of the Company's outstanding share options since their exercise would result in a reduction in loss per share.

* The computation of diluted loss per share for the year ended 31 December 2014 does not assume the conversion of the Company's convertible bonds issued to CDH Fast Two Limited ("CDH CBs") since their exercise would result in a reduction in loss per share.

11. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

(a) Trade Receivables

The Group

	31 December 2014 *RMB'000*	31 December 2013 *RMB'000*
Trade receivables	**156,395**	203,405
Less: allowance for doubtful debts	**(25,039)**	(23,167)
	131,356	180,238

(i) The average credit period to the Group's trade debtors is 30 days.

(ii) The movements in the allowance for doubtful debts during the year, including both specific and collective loss components, are as follows:

The Group

	2014 *RMB'000*	2013 *RMB'000*
At beginning of year	**23,167**	14,917
Additional allowance for the year *(Note 7)*	**1,872**	9,404
Bad debts written off	**–**	(1,154)
At end of year	**25,039**	23,167

As at 31 December 2014, the Group's trade receivables of RMB33,112,000 (2013: RMB30,160,000) were individually determined to be fully or partially impaired. Such trade receivables related to customers that were in financial difficulties or had a prolonged delay in settlement, and management assessed that none or only a portion of the receivables is expected to be recovered. Consequently, an accumulated allowance for doubtful debts of RMB25,039,000 (2013: RMB23,167,000) is made as at 31 December 2014. The Group does not hold any collateral over these balances.

Except for the above, no allowance has been made for estimated irrecoverable amounts from the sale of goods and provision of services.

(iii) The ageing analysis of trade receivables at the end of reporting period by invoice date is as follows:

The Group

	31 December 2014	31 December 2013
	RMB'000	*RMB'000*
Current to 30 days	**61,909**	72,041
31 to 60 days	**43,228**	49,616
61 to 90 days	**12,579**	22,656
Over 90 days	**38,679**	59,092
	156,395	203,405
Less: allowance for doubtful debts	**(25,039)**	(23,167)
	131,356	180,238

(iv) The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

The Group

	31 December 2014	31 December 2013
	RMB'000	*RMB'000*
Neither past due nor impaired	**96,054**	93,486
Less than 1 month past due	**18,027**	53,566
1 to 2 months past due	**6,438**	26,193
	24,465	79,759
	120,519	173,245

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

(b) Deposits, prepayments and other receivables

Included in the Group's deposits, prepayments and other receivable is a loan in the principal amount of RMB100,000,000 to a potential acquisition target as at 31 December 2014.

On 29 December 2014, New Focus Lighting and Power Technology (Shanghai) Company Limited, a wholly and indirectly owned subsidiary of the Company, instructed the lending bank (as the entrusted party and the lending agent) to release a loan in the principal amount of RMB100,000,000 to Shenzhen Jiahong Trading Development Co.,Ltd ("Shenzhen Jiahong") for a term of 12 months, at an annual interest rate of 12% from the date of drawdown.

Having made preliminary due diligence on Shenzhen Jiahong, the directors of the Company consider Shenzhen Jiahong to be a potential acquisition target which is under further assessment by the Group.

12. TRADE PAYABLES

The ageing analysis of trade payables of the Group at the end of reporting period by invoice date is as follows:

	31 December 2014 *RMB'000*	31 December 2013 *RMB'000*
Current to 30 days	**74,669**	113,600
31 to 60 days	**63,987**	52,690
61 to 90 days	**18,552**	9,382
Over 90 days	**33,237**	35,127
	190,445	210,799

The average credit period for the Group's trade creditors is 60 days.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

In 2014, the Group focused on the automotive aftermarket chain service in the Greater China region to satisfy the basic needs of numerous automotive users, taking the market-leading position in the industry.

Results Highlights

Revenue

For the year ended 31 December 2014, the Group recorded a consolidated turnover of approximately RMB1,397,498,000 (2013: RMB1,414,616,000), representing a decrease of approximately 1.2%.

The consolidated turnover of the Group's retail service business amounted to approximately RMB516,898,000 (2013: RMB524,491,000), representing a decrease of approximately 1.5%. The decrease was mainly due to the limitation of government expenditure from the PRC government, resulting in a decrease of revenue from the government customers.

The consolidated turnover of wholesale service business of the Group was approximately RMB443,257,000 (2013: RMB471,338,000), representing a decrease of approximately 6.0%. The decrease was mainly attributable to the challenges from e-commerce and the vigorous competition in the industry.

The consolidated turnover of manufacturing business of the Group was approximately RMB437,343,000 (2013: RMB418,787,000), representing an increase of approximately 4.4%. The increase was mainly due to the increase of orders from clients and the appreciation of the United States dollars ("USD").

Gross profit and gross margin

The consolidated gross profit of the Group was approximately RMB297,119,000 in 2014 (2013: RMB258,024,000), representing an increase of approximately 15.2%. Gross margin increased from approximately 18.2% in 2013 to approximately 21.3% in 2014.

The gross profit of the Group's retail service business was approximately RMB122,934,000 (2013: RMB112,667,000), representing an increase of approximately 9.1%. The increase was mainly attributable to the initial success in the transformation of our retail service business in terms of optimization of product structure.

The gross profit of the Group's wholesale service business was approximately RMB98,318,000 (2013: RMB92,522,000), representing an increase of approximately 6.3%, while its gross margin increased from 19.6% to 22.2%. The increase of gross profit was mainly because, in face of vigorous challenges from e-commerce, the Group has aggressively optimized the products structure and increased the proportion of sales of high gross profit products.

The gross profit of the Group's manufacturing business was approximately RMB75,867,000 (2013: RMB52,835,000), representing an increase of approximately 43.6%, while its gross margin was approximately 17.3% (2013: 12.6%). The increase in the gross profit was mainly because the provision for impairment of inventory with net realizable value lower than its carrying amount decreased to approximately RMB4,292,000 (2013: RMB20,368,000) and the appreciation of USD in 2014.

Expenses

Sales and marketing expenses for the year were approximately RMB225,042,000 (2013: RMB252,116,000), representing a decrease of approximately 10.7%. The decrease was mainly due to the transformation of business model of the Group.

The administrative expenses for the year were approximately RMB121,268,000 (2013: RMB160,159,000), representing a decrease of approximately 24.3%, which was mainly due to the reduction of our workforce and tightening of other administrative expenses.

Operating loss

The operating loss of the Group was approximately RMB113,000 (2013: operating loss of RMB539,627,000). The operating loss decreased by approximately RMB539,514,000, of which approximately RMB401,791,000, which was recognized in 2013, was the amount of the impairment loss of long term assets such as goodwill and intangible assets arising from merger and acquisition activities and the loss on disposal of other long-term assets, while the remaining RMB137,723,000 was attributable to the transformation and consolidation of the Group's business in 2014, of which initial success has been achieved.

Finance costs

Net finance costs amounted to approximately RMB26,266,000 (2013: RMB25,635,000), representing an increase of approximately 2.5%.

Taxation

Income tax expenses were approximately RMB9,422,000 (2013: minus RMB48,412,000). Such increase was mainly attributable to reversal of deferred tax liabilities of approximately RMB48,261,000 resulting from the impairment of long-term asset which was recognized in 2013. Excluding this factor, income tax expenses for 2014 increased by RMB9,573,000 as compared with 2013. The increase was due to the increase of profit before tax of certain profitable subsidiaries of the Group in 2014.

Loss attributable to owners of the Company

Loss attributable to owners of the Company was approximately RMB43,223,000 (2013: loss of RMB446,700,000). Compared with 2013, the loss attributable to the owner of the Company decreased by RMB403,477,000. After deducting the impairment of long term assets such as goodwill and intangible assets arising from merger and acquisition activities and impairment of current assets such as inventories and receivables and loss on disposal of long-term assets that led to the loss attributable to the owners of the Company of RMB357,241,000 which was recognized in 2013, the loss attributable to owners of the Company decreased by RMB46,236,000, which was mainly due to the initial success in the transformation and consolidation of the Group's business in 2014. Loss per share was approximately RMB1.27 cents (2013: loss per share of RMB31.60 cents).

Financial Position and Liquidity

For the year ended 31 December 2014, the Group maintained a stable financial position and the liquidity of assets of the Group remained healthy. The Group had a net operating cash inflow of approximately RMB64,321,000 (2013: outflow of RMB58,017,000).

The non-current assets were approximately RMB469,881,000 as at 31 December 2014 (31 December 2013: RMB521,097,000).

The net current assets were approximately RMB234,232,000 as at 31 December 2014 (31 December 2013: RMB245,853,000), with a current ratio of approximately 1.48 (31 December 2013: 1.42).

Gearing ratio calculated by dividing total liabilities by total assets was approximately 54.54% as at 31 December 2014 (31 December 2013: 63.34%). As at 31 December 2014, the total bank borrowings of the Group were approximately RMB161,829,000 (31 December 2013: RMB138,927,000).

The Group maintains strong and sufficient operating cash flow, bank deposits and banking facilities to finance its daily operation, capital expenditure, merger and acquisition activities and future investment opportunities for further expansion in the domestic market of the Greater China region.

The announcement of the Company dated 28 July 2014 disclosed the actual use of net proceeds from the issuance of the Investor Subscription Shares and the Convertible Bonds (as defined in the circular dated 17 July 2013 of the Company). The Company previously intended to apply the remaining proceeds of approximately US$14 million (equivalent to approximately HK$108.9 million) to (i) the settlement of the outstanding RMB20,000,000 payable to the vendor under a supplement agreement in relation to the acquisition of 51% equity interest in Changchun Guangda Automobile Trading Co., Ltd. (長春市廣達汽車貿易有限公司) ("Changchun Guangda") as disclosed in the announcement of the Company dated 29 January 2014; (ii) potential mergers and acquisitions of the Group's service business and (iii) general working capital of the Group. At the end of 2014, the Board reasonably estimated that the Audited Net Profit After Taxation of 2014 (as defined in the announcement of the

Company dated 29 January 2014) could not reach RMB26,000,000, therefore the Company should not be required to pay the aforesaid RMB20,000,000. Considered that there are no immediate mergers and acquisitions for the business of the Group and our operation capital is still sufficient, the Company has applied the aforesaid US$14 million together with other internal resources of the Group for the provision of entrusted loans in the principal amount of RMB100,000,000 (representing approximately HK$126,826,000) to Shenzhen Jiahong Trading Development Co., Ltd (深圳市佳鴻貿易發展有限公司) ("Shenzhen Jiahong"), a potential acquisition target of the Group. Details of the entrusted loans are set out in the announcement of the Company dated 29 December 2014.

Capital Structure

Upon the receipt of a conversion notice on 11 June 2014 from CDH Fast Two Limited for partial conversion of the convertible bonds in the principal amount of US$24,342,500, the Company allotted and issued a total of 813,507,946 conversion shares to CDH Fast Two Limited at the conversion price of HK$0.2328 per conversion share on 12 June 2014. After the partial conversion of the convertible bonds as described above, the Company has convertible bonds outstanding in the principal amount of US$24,342,500. Please refer to the announcement of the Company dated 12 June 2014 for details.

As at 31 December 2014, the Group's total assets were RMB1,188,415,000 (31 December 2013: RMB1,346,733,000), comprising: (1) share capital of RMB307,931,000 (31 December 2013: RMB242,704,000), (2) reserves of RMB232,366,000 (31 December 2013: RMB250,971,000), and (3) debts of RMB648,118,000 (31 December 2013: RMB853,058,000).

Financial Guarantees and Pledge of Assets

As at 31 December 2014, the net book values of investment properties, property, plant and equipment and leasehold land and land use rights pledged as security for the Group's bank borrowings amounted to approximately RMB130,322,000 (31 December 2013: RMB134,790,000).

Substantial Acquisition and Disposal of Subsidiaries and Associated Companies

Supplemental Agreements to Equity Transfer Agreement Regarding Acquisition of 51% Equity Interest in Changchun Guangda and Determination of Consideration

The Company and Ms. Gao Xiu Min ("Ms. Gao") entered into a supplemental agreement with effect from 29 January 2014 to amend the terms of the equity transfer agreement dated 17 July 2012 entered into by and among the Company, Ms. Gao and other parties. The amendments included the change of payment methods and the additional guarantee on future performance of Changchun Guangda by Ms. Gao. For this purpose, Equity Interest as Collateral (as defined in the announcement of the Company dated 29 January 2014) will be transferred to the designated subsidiary of the Company by Ms. Gao to secure the performance of her guarantee. For further details, please refer to the announcement of the Company dated 29 January 2014. The transfer of Equity Interest as Collateral was completed on 19 February 2014.

According to the aforesaid supplementary agreement, if the Audited Net Profit After Taxation of 2014 (as defined in the announcement of the Company dated 29 January 2014) does not reach RMB26,000,000, the Company will not need to pay RMB20,000,000 to Ms. Gao. Based on the Audited Report of 2014 (as defined in the announcement of the Company dated 29 January 2014), the Audited Net Profit After Taxation of 2014 is RMB10,344,000, hence the Company was not required to pay RMB20,000,000 to Ms. Gao.

Disposal of 51% Equity Interest in Hubei Autoboom

New Focus Lighting & Power Technology Co.,Ltd. ("NFLP"), a subsidiary of the Group that held directly 51% equity interest in Hubei Autoboom Auto Accessories Supermarket Co., Ltd. (湖北歐特隆汽車用品超市有限公司) ("Hubei Autoboom") entered into an equity transfer agreement with Mr. Chen Bing Yu and Mr. Li Zheng Guo (collectively the "Purchasers") which became effective on 17 December 2014. According to the agreement, the Purchasers agreed to purchase by way of cash, and NFLP has agreed to sell, 51% equity interest in Hubei Autoboom with the total consideration of RMB23,000,000. The disposal of 51% equity interest in Hubei Autoboom was completed on 31 December 2014. For further details, please refer to the announcement of the Company dated 17 December 2014.

Significant investments

For the year ended 31 December 2014, the Group had no significant investments. The Group has no specific future plans for material investments.

Exchange Risk

The Group's retail and wholesale service businesses were mainly in mainland China and their settlement currency was RMB, so there was no exchange risk. The settlement currency of the Group's manufacturing business was mainly US dollar. The Group reduced the exposure of USD assets by USD borrowings to minimize exchange risk.

Contingent Liabilities

As at 31 December 2014, the Group had no significant contingent liabilities.

Employees and Remuneration Policy

As at 31 December 2014, the Group employed a total of 4,135 full-time employees (31 December 2013: 4,879), of which 573 were managerial staff (31 December 2013: 654). The remuneration package for the Group's employees includes wages, incentives (such as performance-based bonus) and allowances. The Group also provides social security insurance and benefits to its employees.

Industry Development and Business Review

In 2014, the scale of the China automobile after-sales market reached RMB600 billion, representing an increase of 20% comparing to that of 2013. As the average age of automobiles grows, it is predicted that the China automobile after-sales market will maintain growth at a high pace, providing a supportive macro-environment for the subsequent development of the Group.

As at 31 December of 2014, the Group had a total of 75 consumer service retail centres, 11 wholesale service stores and two manufacturing business factories.

The Group's Service Business

Based on the industry knowledge that terminal service is irreplaceable, in 2014, the operational management team of the Group tracked the changes in the industry and the sustainability of new business models and continued to integrate and allocate internal resources for exploring the mode of operation which fits the demand in the industry and the existing condition of the Group. Comparing with 2013, there was a significant improvement in the profit of the Group while the revenue remained nearly the same as 2013. The management believes that so long as we continue to insist on implementing new development strategies and operating direction, the performance of the Group will continue to improve. The operating strategies implemented during the year of 2014 mainly include:

(i) We implemented urban strategies, which led to an in-depth development of the markets that were already well-developed with stable profits. We emphasized on increasing branding impacts by standardized services and enhanced service experience, and further increased the market shares in regions under our current market coverage to achieve the absolute advantages. Meanwhile, we entered into new markets when various conditions were mature. In particular, a subsidiary of the Group which is part of our service business, Beijing Aiyihang Auto Service Ltd has entered into a strategic cooperation agreement with Sinopec Hubei Oil Products Company ("Sinopec Hubei") in December 2014. The parties will jointly operate automotive services business at the gas stations within the Sinopec Hubei network. Such cooperation combined the resources advantages of Sinopec Hubei and the professional advantages of the Group. The parties plan to build 300 automobile services stores at the gas stations of Sinopec Hubei in Hubei Province in the next three years. Our management anticipates that the plan can increase the market share of our service business in the Central region of China. The four automobile services stores under the first phase have commenced operations as at the date of this announcement.

(ii) Our management no longer merely pursued for the large-scale operating stores, but also focused on the synergies among operating stores of different sizes and types in the business layouts. The Group started to explore setting up new stores by a combined portfolio of large comprehensive stores or maintenance sheet metal painting center and small satellite stores. These small satellite stores can penetrate into residence communities and are radically distributed around the large comprehensive stores or maintenance and metal sheet painting center to provide the residence community customers with cleaning, maintenance and quick repair, and insurance premium service.

They also function as automobile reception terminal of large comprehensive stores providing complex repair and metal sheet painting to allow customers to enjoy basic services for their automobiles within the residence communities or in nearby areas. Large comprehensive stores will continue to provide comprehensive after-sales services such as comprehensive automobile detailing and cleaning, maintenance and repair, sales of automobile accessories and settlement of insurance claims, and they are equipped with senior technical personnel and testing equipment to provide technical support for the entire store portfolio. We may rent factories or non-store properties to operate the maintenance and metal sheet painting center to reduce the rent, while providing the same comprehensive services and technical support to the satellite stores. Our management believes that this model is not only beneficial in further penetrating into the residence communities to expand the source and increase the loyalty of customers, but also helps to share the cost of maintaining advanced technical support and quality service for large comprehensive stores. This arrangement also reduces the dependence on large and expensive properties during the expansion process, which benefits the rapid opening of new stores and allows for better cost control. Shenzhen Yonglonghang Auto Service Ltd ("Shenzhen Yonglonghang"), a subsidiary of the Group, has opened a set of stores combining maintenance and metal sheet painting center with community satellites shop in Shenzhen. The set of three shops have started to generate profit after the first month of operation. Comparing with the traditional large-scale one-stop stores, the same amount of invested capital is sufficient for the opening of more sets of stores, covering a larger market and attracting more car owners. When the mode of operation of large comprehensive stores or maintenance and metal sheet painting center with community satellite stores have proved to be suitable to satisfy market demand, the Group will promote such mode of operation in Shenzhen speedily and replicate it to other target markets, forming a new business model for the auto aftermarket service.

(iii) The Group has been considering acquisitions that can help facilitate the realization of the strategic targets and integration of the existing resources of the Group, so as to create synergies for the existing business of the Group and enhance the competitive advantages of the Group. In December 2014, NFLP provided an entrusted loan of RMB100 million to Shenzhen Jiahong, for the purpose of allowing the Group to analyze the business viability of Shenzhen Jiahong in greater detail, and such that we stand in a favorable strategic position in negotiating the terms of the potential acquisition when the Group determines to acquire the equity interests of Shenzhen Jiahong in the future. In the event that the Group acquires the equity interests in Shenzhen Jiahong, it is expected that such acquisition would add high-end automobile after-sales services and products lines with strong customer loyalty to the Group's current business and improve the consistency between cash flow and profit of the Group while rapidly developing its auto chain services network.

(iv) In order to cope with the competition of electronic commerce, the Group has strengthened the cooperation with e-commerce companies. We have gradually improved and integrated our own e-commerce business within the Group while also considered the possibility of investing in or introducing into our Group a third-party e-commerce company, which focuses on the automotive after-market platform services. It is expected that it will increase the Group's sales and improve its profitability.

(v) The subsidiaries of the Group engaging in the wholesale business have also continuously increased their product types related to vehicle repair and maintenance, and enhanced the added-value of products and services by improving logistics service and network coverage, which increased the loyalty of downstream retail customers and the on-going demand for orders.

(vi) The Group strengthened employee training to foster and train personnel for the rapid development of our service business in the future and improved our employee incentive scheme. Through the specialized training institute set up by Shenzhen Yonglonghang and the professional management and advisory institution focusing on the automobile service business, the business skills and integrated qualities of the operations personnel of the Group will be enhanced. In addition, subsidiaries of the Group which are engaging in retail services business are gradually improving their employee incentive systems to stimulate the enthusiasm of employees and enhance the performance of stores through measures including investment by employees and bonus sharing.

The Group's Manufacturing Business

During the period under review, our target markets, customers and products underwent a comprehensive adjustment within the manufacturing business. In particular, our communication and liaison with international clients have been enhanced, leading to further understanding of the demand for products and the development trend of similar products in the international market. Also, we have continued with our efforts in terms of products design and research and development, upgrading and replacing the existing products, and striving to explore new product categories. Meanwhile, the Group's manufacturing business focused on strengthening the development of the domestic market by developing products that are suitable for sales in the domestic market and e-commerce networks. Our manufacturing business has put forward the business ideas of 'the sharpest insight, the wisest research and development, the most efficient production and the most effective promotion.' The measures adopted, including optimizing the suppliers, reducing the number of staff, improving logistics and enhancing internal control were proven to be effective and remarkable during the implementation period and have also significantly reduced our operating and administrative costs.

Prospects

In 2015, increasing the number of auto service stores and improving our operation model will be the main focus of the Group, thus we will continue to adopt the following operational strategies:

First, continue to carry out our urban strategies, focus on the development of key markets, open new stores in the combined form of large and small stores, and steadily improve market share and the number of stores in these markets, so as to lay the foundation for expansion to new markets. The Group will fully implement cooperation and venture plans so as to attract the participation by outstanding key employees and aspiring teams.

Secondly, actively adjust the product mix of wholesale business, and focus on automobile repair and maintenance products with rigid demand and improve logistics efficiency and service quality, enabling the Group to become an indispensable comprehensive supplier that provides integrated repair and maintenance products for automobile after-sales service stores in target markets.

Thirdly, select bulk commodities such as the repair and maintenance products of the Group and directly cooperate with manufacturers, carry out purchase by way of original equipment manufacturer (OEM) with our own brands, thus reduce costs and improve the impact of the Group's products.

In addition, the Group will also continue to actively search for and negotiate with potential targets the acquisition of which will help us achieve the strategic objectives of the Group, consider acquisition in due course and explore opportunities to introduce a new business scope of automotive after-sales market, such as professional automotive repair, automotive insurance and automotive finance, so as to provide car owners with a more comprehensive automotive after-sales service to improve our competitive advantages.

The manufacturing business of the Group will continue with the market expansion in Europe and Asia Pacific, a market with giant potential, and continue to explore the upgrading needs of customers in North America. It will also enlarge the categories of authorized products by leveraging on the partnership with Michelin Lifestyle Limited to expand the domestic markets and actively explore the research and development of new product categories according to the latest industry development.

CORPORATE GOVERNANCE

The Board believes that good corporate governance practice is the key to business growth and management of the Group.

The Company has applied the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31 December 2014.

In the opinion of the Board, the Company has complied with the code provisions set out in the CG Code throughout the year ended 31 December 2014, save and except for the deviation from code provision A.5.1 and A.6.7. Code provision A.5.1 stipulates that the Nomination Committee should be chaired by the chairman of the board or an independent non-executive director. As disclosed in the announcement of the Company dated 29 August 2014, Mr. Wang Zhenyu resigned as chairman of the Company but remained as a non-executive director of the Company and the chairman of the Nomination Committee with effect from 30 August 2014. Considering that there was no other suitable candidate to replace Mr. Wang Zhenyu as the chairman of the Nomination Committee at that time and Mr. Wang Zhenyu had accumulated appropriate experience to serve as the chairman of the Nomination Committee, the Board was of the view that such code provision deviation would not affect the performance of the Nomination Committee. Despite the above, the Company has adjusted the composition of the Nomination Committee so as to re-comply with code provision A.5.1 by appointing Mr. Ying Wei, Chairman of the Company as the chairman of the Nomination Committee to replace Mr. Wang Zhenyu with effect from 20 March 2015.

Code provision A.6.7 stipulates that non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. However, only Mr. Wang Zhenyu, being a non-executive Director, former chairman of the Company and the chairman of the Nomination Committee, Mr. Hu Yuming, being an independent non-executive Director and the chairman of Audit Committee and Remuneration Committee, Mr. Zhang Jianxing, being an executive Director and the CEO of the Company and Mr. Du Jinglei, being a non-executive Director, attended the annual general meeting of the Company held on 25 June 2014. Other four non-executive directors failed to attend such annual general meeting due to their other business engagement. The Company is of the view that the directors participated in the annual general meeting were able to answer questions from the shareholders at the annual general meeting and to develop a balanced understanding of the shareholders' view.

SECURITIES TRANSACTIONS OF DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealings in securities of the Company by the directors or relevant employees as defined in the Model Code. Having made specific enquiry to all directors by the Company, all directors confirmed that they had complied with the requirements set out in the Model Code during the financial year ended 31 December 2014.

AUDIT COMMITTEE

The Audit Committee comprises a total of three members, being two independent non-executive directors, namely, Mr. Hu Yuming (Chairman) and Mr. Lin Lei, and one non-executive director, namely, Mr. Du Jinglei. The chairman of the Audit Committee is Mr. Hu Yuming who possesses the appropriate accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2014 in conjunction with the Company's external auditors, KPMG, Certified Public Accountants ("KPMG"). The financial information set out in the annual results announcement represents an extract from these consolidated financial statements.

DIVIDEND

The directors do not recommend the payment of a final dividend for the year ended 31 December 2014 (2013: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the Year, the Company did not repurchase any ordinary shares of the Company on the Stock Exchange under the general mandate granted at the annual general meeting held on 25 June 2014, and, there were no purchases, sales or redemption of the Company's listed securities by the Company or any of its subsidiaries during 2014.

ANNUAL GENERAL MEETING

The forthcoming Annual General Meeting of the Company will be held on 25 June 2015 and the notice of annual general meeting will be published and dispatched in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from 23 June 2015 to 25 June 2015 (both days 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, 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 22 June 2015.

SCOPE OF WORK OF KPMG

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been compared by KPMG, to the amounts set out in the Group's audited financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this Announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.nfa360.com). The annual report of the Company for the year ended 31 December 2014 containing all the information required by the Listing Rules will be despatched to shareholders and made available on the above websites in due course.

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

Hong Kong, 19 March 2015

As at the date hereof, the Directors of the Company are: executive Director – ZHANG Jianxing; non-executive Directors – YING Wei, WANG Zhenyu, HUNG Wei-Pi John and DU Jinglei; and independent non-executive Directors – HU Yuming, LIN Lei and ZHANG Jie.