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## **NEW FOCUS AUTO TECH HOLDINGS LIMITED**

**新焦點汽車技術控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 360)**

### **PROPOSED CHANGE OF AUDITOR**

This announcement is made by the Company pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board announces that KPMG will retire as the auditor of the Group with effect from the conclusion of the AGM to be held on 29 June 2018 and will not be re-appointed.

The Board has resolved, with the recommendation from the Audit Committee, to propose the appointment of HLB as the new auditor of the Group following the retirement of KPMG and to hold office from the conclusion of the AGM until the conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the AGM.

HLB has been engaged by the Group to conduct an audit of the combined financial statements of the Target Group, which is expected to form a significant part of the business of the Group following completion of the Acquisition. The Board considers that, with a view to enhancing the efficiency of the audit services for the Group and taking into account the better terms of engagement offered by HLB, the Proposed Change of Auditor would be in the best interest of the Company and the Shareholders as a whole.

The Company has, on 25 May 2018, received a letter from KPMG advising that there are no matters in respect of the circumstances leading to their cessation as the auditor of the Group that, in their opinion, need to be reported to the Audit Committee and the Board. The Company is incorporated under the laws of the Cayman Islands and to the knowledge of the Board, there is no requirement under the laws of the Cayman Islands for the retiring auditors to confirm whether or not there is any circumstances connected with their retirement which they consider should be brought to the attention of the Shareholders. KPMG has therefore not issued such confirmation.

The Board and the Audit Committee have confirmed that there is no disagreement between KPMG and the Company, and there are no other matters in respect of the Proposed Change of Auditor that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its gratitude to KPMG for its professional and quality services rendered to the Group in the past years.

A circular containing, among other things, further details of the Proposed Change of Auditor and a notice convening the AGM will be despatched to the Shareholders in due course.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Acquisition”	the acquisition of 100% of the equity interests in the Target Company by the Purchaser from the Vendor pursuant to the equity transfer agreement dated 2 March 2018 entered into between the Purchaser and the Vendor
“AGM”	the annual general meeting of the Company to be convened and held on 29 June 2018
“Audit Committee”	the audit committee of the Company
“Board”	the board of directors of the Company
“Company”	New Focus Auto Tech Holdings Limited (Stock Code: 360), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“HLB”	HLB Hodgson Impey Cheng Limited, Certified Public Accountants
“KPMG”	KPMG, Certified Public Accountants
“Proposed Change of Auditor”	the proposed retirement of KPMG as the auditor of the Group and the proposed appointment of HLB as the new auditor of the Group following the retirement of KPMG
“Purchaser”	Ningbo Meishan Bonded Port Area Chifeng Investment Management Co., Ltd* (寧波梅山保稅港區馳豐投資管理有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company

“Shareholder(s)”	holder(s) of the ordinary share(s) of par value HK\$0.10 each in the share capital of the Company from time to time
“Target Company”	Inner Mongolia Chuangying Automobile Co., Ltd.* (內蒙古創贏汽車有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Vendor
“Target Group”	the Target Company, the 35 operating companies and the operating subsidiary, further details of which are set out in the announcement of the Company dated 2 March 2018 in relation to, among other things, the Acquisition
“Vendor”	Inner Mongolia Lifeng Dingsheng Automobile Co., Ltd.* (內蒙古利豐鼎盛汽車有限公司), a company established under the laws of the PRC with limited liability

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

Hong Kong, 25 May 2018

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

\* *For identification purposes only*