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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008

	Notes	**2008 RMB'000**	2007 RMB'000
Turnover	*3*	**707,426**	763,451
Cost of sales and services		**(541,805)**	(623,067)
Gross profit		**165,621**	140,384
Fair value gain on the derivative component of convertible bond	*11*	**11,877**	15,214
Other income and gains		**11,729**	16,198
Distribution costs		**(89,973)**	(70,348)
Administrative expenses		**(65,901)**	(70,287)
Finance costs	*4*	**(15,562)**	(8,732)
Profit before taxation	*5*	**17,791**	22,429
Income tax	*6*	**(4,996)**	(1,067)
Profit for the year		**12,795**	21,362
Attributable to:			
Equity holders of the Company		**10,922**	17,849
Minority interests		**1,873**	3,513
		12,795	21,362
Dividend	*7*	**–**	–
			(Restated)
Earnings per share:	*8*		
– Basic		**RMB2.42 fen**	RMB3.99 fen
– Diluted		**RMB1.54 fen**	RMB1.30 fen

* *for identification purpose only*

CONSOLIDATED BALANCE SHEET

As at 31 December 2008

	Notes	2008 RMB'000	2007 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**150,401**	106,521
Leasehold land and land use rights		**20,508**	21,086
Investment properties		**26,047**	25,286
Goodwill		**46,068**	43,161
Other intangible assets		**8,601**	9,310
Other financial assets		**2,778**	2,611
Deferred tax assets		**93**	128
		254,496	208,103
Current assets			
Trading securities		**227**	737
Inventories		**125,695**	126,803
Trade receivables	*9*	**78,175**	119,950
Deposits, prepayments and other receivables		**57,782**	58,921
Amount due from a related party		**316**	92
Tax recoverable		**3,527**	387
Pledged time deposits		**1,877**	3,342
Cash and cash equivalents		**95,726**	135,532
		363,325	445,764
Current liabilities			
Bank borrowings, secured		**95,940**	85,929
Trade payables	*10*	**110,707**	149,183
Accruals and other payables		**39,294**	43,916
Amounts due to directors		**450**	1,388
Amounts due to related parties		**–**	1,504
Tax payable		**731**	–
		247,122	281,920
Net current assets		**116,203**	163,844
Total assets less current liabilities		**370,699**	371,947

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 December 2008

	Note	**2008** **RMB'000**	2007 RMB'000
Non-current liabilities			
Bank borrowings, secured		**14,349**	16,494
Convertible bond	*11*	**68,591**	75,998
Deferred tax liabilities		**1,389**	1,071
		84,329	93,563
Net assets		**286,370**	278,384
CAPITAL AND RESERVES			
Share capital		**47,354**	46,394
Reserves		**205,476**	200,323
Equity attributable to equity holders of the Company		**252,830**	246,717
Minority interests		**33,540**	31,667
Total equity		**286,370**	278,384

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2008

	Share capital RMB'000	**Capital reserves** RMB'000	**Retained profits** RMB'000	**Attributable to equity holders of the Company** RMB'000	**Minority interests** RMB'000	**Total** RMB'000
Balance at 1 January 2007	42,987	104,102	53,084	200,173	9,297	209,470
Fair value adjustment upon transfer of property, plant and equipment to investment properties	–	602	–	602	–	602
Exchange realignment	–	(3,052)	–	(3,052)	–	(3,052)
Total income and expense recognised directly in equity	–	(2,450)	–	(2,450)	–	(2,450)
Profit for the year	–	–	17,849	17,849	3,513	21,362
Total income and expense for the year	–	(2,450)	17,849	15,399	3,513	18,912
Lapse of share options	–	(575)	575	–	–	–
Issue of shares on exercise of share options	9	73	–	82	–	82
Transfer of reserves	–	2,432	(2,432)	–	–	–
Issue of shares for acquisition of a subsidiary	1,350	29,713	–	31,063	–	31,063
Bonus issue	2,048	(2,048)	–	–	–	–
Contribution from minority owner of a subsidiary	–	–	–	–	11,944	11,944
Minority interest arising on acquisition of a subsidiary	–	–	–	–	6,913	6,913
Balance at 31 December 2007	46,394	131,247	69,076	246,717	31,667	278,384
Exchange realignment and total expense	–	(4,632)	–	(4,632)	–	(4,632)
Profit for the year	–	–	10,922	10,922	1,873	12,795
Total income and expense for the year	–	(4,632)	10,922	6,290	1,873	8,163
Lapse of share options	–	(238)	238	–	–	–
Transfer of reserves	–	1,865	(1,865)	–	–	–
Issue of shares on exercise of share options	3	22	–	25	–	25
Repurchase of shares and cancelled	(23)	(156)	(23)	(202)	–	(202)
Bonus issue	980	(980)	–	–	–	–
Balance at 31 December 2008	47,354	127,128	78,348	252,830	33,540	286,370

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2008

	Notes	2008 RMB'000	2007 RMB'000
Operating activities			
Profit before taxation		**17,791**	22,429
Adjustments for:			
Provision for/(write-back of provision for) obsolete inventories	*5*	**39**	(240)
(Reversal of allowance for)/additional allowance for doubtful debts	*5*	**(608)**	339
Amortisation of leasehold land and land use rights	*5*	**578**	579
Depreciation of property, plant and equipment	*5*	**19,527**	22,856
Fair value gain on the derivative component of convertible bond	*11*	**(11,877)**	(15,214)
Direct transaction costs for the derivative component of convertible bond		**–**	834
Gain on disposal of property, plant and equipment		**(191)**	–
Gain on disposal of interest in a subsidiary		**–**	(953)
Amortisation of other intangible assets	*5*	**133**	397
Fair value loss/(gain) on trading securities		**510**	(470)
Fair value gain on investment properties		**(761)**	(2,515)
Net realised gain on trading securities		**(64)**	–
Exchange gain on convertible bond	*11*	**(4,775)**	(4,160)
Imputed interest income from other financial assets		**(167)**	(111)
Interest income from bank deposits		**(1,020)**	(3,598)
Other finance costs		**20,337**	12,058
Operating cash flows before working capital changes		**39,452**	32,231
Decrease in other financial assets		**–**	1,851
Decrease/(increase) in inventories		**1,348**	(26,482)
Decrease/(increase) in trade receivables		**43,698**	(31,865)
Decrease/(increase) in prepayments, deposits and other receivables		**1,762**	(6,206)
Increase/(decrease) in amounts due from related parties		**(224)**	279
(Decrease)/increase in trade payables		**(40,017)**	23,399
(Decrease)/increase in accruals and other payables		**(7,390)**	795
Effect of foreign exchange rate changes		**(2,046)**	–
Cash generated from/(used in) operations		**36,583**	(5,998)
Income tax paid		**(7,057)**	(2,105)
Interest paid		**(11,092)**	(4,205)
Net cash generated from/(used in) operating activities		**18,434**	(12,308)

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2008

	2008	2007
	RMB'000	RMB'000
Investing activities		
Purchase of other intangible assets	**(16)**	–
Decrease/(increase) in pledged time deposits	**1,465**	(2,194)
Purchase of property, plant and equipment	**(67,526)**	(30,631)
Proceeds from disposal of property, plant and equipment	**2,916**	843
Net cash inflow/(outflow) arising from acquisitions of subsidiaries	**122**	(9,032)
Net proceeds from disposal of interest in a subsidiary	**–**	(662)
Additional cash consideration paid for the acquisition of a subsidiary	**(1,762)**	(755)
Proceeds from disposal of trading securities	**199**	–
Payment for earnest money deposit	**–**	(3,000)
Purchase of trading securities	**(135)**	(267)
Interest received	**1,020**	3,598
Net cash used in investing activities	**(63,717)**	(42,100)
Financing activities		
Contribution from minority owners of a subsidiary	**–**	11,944
Proceeds from issue of convertible bond, net of transaction costs	**–**	89,612
Proceeds from new bank loans	**95,814**	63,057
Repayment of bank loans	**(64,413)**	(27,390)
Repayment to directors	**(938)**	(13,661)
Repayment to related parties	**(1,504)**	(21,703)
Proceeds from issue of shares	**25**	82
Repurchase of shares and cancelled	**(202)**	–
Net cash generated from financing activities	**28,782**	101,941
Net (decrease)/increase in cash and cash equivalents	**(16,501)**	47,533
Cash and cash equivalents at beginning of year	**113,130**	65,941
Effect of foreign exchange rate changes	**(903)**	(344)
Cash and cash equivalents at end of year	**95,726**	113,130
Analysis of the balances of cash and cash equivalents		
Cash at bank and in hand	**95,726**	135,532
Bank overdrafts	**–**	(22,402)
	95,726	113,130

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi)

1. ORGANISATION AND OPERATIONS

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 Island. Its principal place of business is in Shanghai, the People's Republic of China (the "PRC").

The Company is an investment holding company. Its subsidiaries are principally engaged in the manufacture and sale of electronic and power-related automobile 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.

2. ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the Group has adopted all of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for the current accounting period of the Group and the Company. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies.

The adoption of HK(IFRIC) – Int 11 "HKFRS 2 – Group and treasury share transactions", HK(IFRIC) – Int 12 "Service concession arrangements", HK(IFRIC) – Int 14 "HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction" and HKAS 39 & HKFRS 7 Amendments "Reclassification of financial assets" has no impact on these financial statements.

2. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective:

		Effective date
HKAS 1 (Revised)	Presentation of financial statements	(i)
HKAS 23 (Revised)	Borrowing costs	(i)
HKAS 32 & HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation	(i)
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate	(i)
HKFRS 8	Operating segments	(i)
HK(IFRIC) – Int 15	Agreements for the construction of real estates	(i)
HKFRS 2 (Amendment)	Vesting conditions and cancellations	(i)
HKFRS 7 (Amendment)	Improving disclosures about financial instruments	(i)
HKAS 27 (Revised)	Consolidated and separate financial statements	(ii)
HKAS 39 (Amendment)	Eligible hedged items	(ii)
HKFRS 1 (Revised)	First-time adoption of HKFRSs	(ii)
HKFRS 3 (Revised)	Business combinations	(ii)
HK(IFRIC) – Int 17	Distributions of non-cash assets to owners	(ii)
HK(IFRIC) – Int 13	Customer loyalty programmes	(iii)
HK(IFRIC) – Int 16	Hedges of a net investment in a foreign operation	(iv)
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded derivatives	(v)
HK(IFRIC) – Int 18	Transfers of assets from customers	(vi)
2008 Improvements to HKFRSs that may result in accounting changes for presentation, recognition or measurement	– HKAS 1, HKAS 16, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 36, HKAS 38, HKAS 39, HKAS 40 & HKAS 41	(i)
	– HKFRS 5	(ii)

Effective date

(i) Annual periods beginning on or after 1 January 2009
(ii) Annual periods beginning on or after 1 July 2009
(iii) Annual periods beginning on or after 1 July 2008
(iv) Annual periods beginning on or after 1 October 2008
(v) Annual periods ending on or after 30 June 2009
(vi) Transfer of assets from customers received on or after 1 July 2009.

The Group is in the process of making an assessment of what the impact of these new or revised standards or interpretations is expected to be in the period of their initial application.

3. 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:

	2008	2007
	RMB'000	RMB'000
Sale of goods	**485,062**	577,441
Service income	**222,364**	186,010
	707,426	763,451

3. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format – business segments

The Group operates in two business segments, the manufacture and sale of automobile accessories, and the provision of automobile repair, maintenance and restyling services. Set out below is an analysis of the segment revenue, results, assets, liabilities and capital expenditure information.

2008	Manufacture and sale of automobile accessories	Provision of automobile repair, maintenance and restyling services	Eliminations	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
RESULTS				
External sales revenue	485,062	222,364	–	707,426
Inter-segment sales revenue	7,901	2,804	(10,705)	–
External other income	5,527	5,487	–	11,014
Inter-segment other income/(expenses)	294	–	(294)	–
Total	498,784	230,655	(10,999)	718,440
Segment results	30,577	1,901	–	32,478
Unallocated other income				715
Unallocated costs				(11,717)
Finance costs				(15,562)
Fair value gain on the derivative component of convertible bond				11,877
Profit before taxation				17,791
Income tax				(4,996)
Profit for the year				12,795
BALANCE SHEET				
Segment assets	379,390	211,059	–	590,449
Unallocated corporate assets				27,372
Total assets				617,821
Segment liabilities	194,811	94,820	–	289,631
Unallocated corporate liabilities				41,820
Total liabilities				331,451
OTHER INFORMATION				
Capital expenditure	55,751	11,791	–	67,542
Depreciation and amortisation charges	10,407	9,799	–	20,206
Unallocated depreciation and amortisation charges				32
Total depreciation and amortisation charges				20,238

3. *TURNOVER AND SEGMENT INFORMATION (CONTINUED)*

(a) Primary reporting format – business segments *(continued)*

2007	Manufacture and sale of automobile accessories	Provision of automobile repair, maintenance and restyling services	Eliminations	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
RESULTS				
External sales revenue	577,441	186,010	–	763,451
Inter-segment sales revenue	14,483	575	(15,058)	–
External other income	6,574	6,286	–	12,860
Inter-segment other income/(expenses)	401	(826)	425	–
Total revenue	598,899	192,045	(14,633)	776,311
Segment results	33,881	(4,813)	–	29,068
Unallocated other income				3,338
Unallocated costs				(16,459)
Finance costs				(8,732)
Fair value gain on the derivative component of convertible bond				15,214
Profit before taxation				22,429
Income tax				(1,067)
Profit for the year				21,362
BALANCE SHEET				
Segment assets	364,523	181,022	–	545,545
Unallocated corporate assets				108,322
Total assets				653,867
Segment liabilities	225,139	66,103	–	291,242
Unallocated corporate liabilities				84,241
Total liabilities				375,483
OTHER INFORMATION				
Capital expenditure	14,347	16,239	–	30,586
Unallocated capital expenditure				45
Total capital expenditure				30,631
Depreciation and amortisation charges	9,739	12,877	–	22,616
Unallocated depreciation and amortisation charges				1,216
Total depreciation and amortisation charges				23,832

3. TURNOVER AND SEGMENT INFORMATION (CONTINUED)

(b) Secondary reporting format – geographical segments

The Group operates in five (2007: five) main geographical areas. An analysis of the geographical segment revenue is as follows:

	2008 RMB'000	2007 RMB'000
Segment revenue:		
North America	**323,635**	343,683
Europe	**68,496**	48,452
Asia Pacific	**30,976**	29,073
Greater China (including Taiwan)	**283,958**	341,973
Africa	**–**	270
South America	**361**	–
Total	**707,426**	763,451

No geographical segment information regarding the Group's assets and capital expenditure is presented as most of the Group's assets are located in the PRC.

There is no inter-segment sale between the geographical segments for the year ended 31 December 2008 (2007: RMBNil).

4. FINANCE COSTS

	Note	2008 RMB'000	2007 RMB'000
Interest expense:			
Bank borrowings wholly repayable within five years		**6,829**	2,991
Bank borrowings wholly repayable after five years		**–**	561
Interest on amount due to a director		**–**	653
Imputed interest on convertible bond	*11*	**13,508**	7,853
Direct transaction costs for the derivative component of convertible bond		**–**	834
Exchange gain on convertible bond	*11*	**(4,775)**	(4,160)
		15,562	8,732

5. PROFIT BEFORE TAXATION

	Note	2008 RMB'000	2007 RMB'000
Profit before taxation is arrived at after charging/(crediting):			
Net foreign exchange losses		**3,148**	1,428
Cost of inventories *(note)*		**404,975**	502,274
Cost of services		**136,791**	121,033
Provision for/(write-back of provision for) obsolete inventories		**39**	(240)
		541,805	623,067
Depreciation of property, plant and equipment		**19,527**	22,856
Amortisation of:			
Leasehold land and land use rights		**578**	579
Other intangible assets		**133**	397
Total depreciation and amortisation charges		**20,238**	23,832
(Reversal of allowance for)/additional allowance for doubtful debts on trade receivables	*9*	**(608)**	339
Research and development costs		**5,621**	8,125
Direct operating expenses arising on rental-earning investment properties		**–**	331
Auditors' remuneration		**1,380**	1,300
Under-provision in respect of prior years		**146**	–
		1,526	1,300
Employee benefit expenses (including directors' remuneration:)			
Salaries and allowances		**63,304**	50,673
Pension fund contributions		**1,009**	1,329
Other benefits		**10,465**	9,588
		74,778	61,590

Note: Cost of inventories includes RMB39,076,000 (2007: RMB51,642,000) relating to staff costs, depreciation and amortisation charges, which amounts are also included in the respective total amounts disclosed separately above.

6. *INCOME TAX*

Taxation in the consolidated income statement represents:

	2008	2007
	RMB'000	RMB'000
Current tax – PRC		
– Provision for the year	**5,222**	3,148
– Over-provision in respect of prior years	**(574)**	(2,441)
	4,648	707
Deferred taxation		
– attributable to the origination and reversal of temporary differences, net	**157**	360
– resulting from a change in tax rate	**191**	–
	4,996	1,067

7. *DIVIDEND*

The board of directors does not recommend the payment of a final dividend for the year ended 31 December 2008 (2007: RMBNil). No interim dividend was paid in respect of the year ended 31 December 2008 (2007: RMBNil).

8. *EARNINGS PER SHARE*

The calculation of basic earnings per share is based on the profit for the year attributable to the equity holders of the Company, and the weighted average number of ordinary shares in issue during the year, as adjusted to reflect the bonus issue during the year. Basic earnings per share for the year ended 31 December 2007 is restated to take into effect of the bonus issue of shares during the year ended 31 December 2008.

The calculation of diluted earnings per share is based on the profit for the year attributable to the equity holders of the Company, adjusted to add the interest on convertible bond, the exchange gain on convertible bond and fair value gain on the derivative component of convertible bond. 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 earnings 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.

8. EARNINGS PER SHARE (CONTINUED)

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

	Notes	2008 RMB'000	2007 RMB'000
Earnings			
Profit attributable to the equity holders of the Company, used in the basic earnings per share calculation		**10,922**	17,849
Add: Imputed interest on convertible bond	*4*	**13,508**	7,853
Less: Exchange gain on convertible bond	*4*	**(4,775)**	(4,160)
Less: Fair value gain on the derivative component of convertible bond	*11*	**(11,877)**	(15,214)
Profit attributable to the equity holders of the Company as adjusted for the effect of convertible bond		**7,778**	6,328

	Number of shares 2008	2007 (Restated)
Shares		
Weighted average number of ordinary shares for the basic earnings per share calculation	**451,590,000**	446,923,000
Effect of dilution – weighted average number of ordinary shares:		
Share options	**4,242,000**	9,645,000
Convertible bond	**48,665,000**	30,666,000
Weighted average number of ordinary shares adjusted for the effect of dilution	**504,497,000**	487,234,000

9. TRADE RECEIVABLES

	2008 RMB'000	2007 RMB'000
Trade receivables	**79,234**	121,617
Less: allowance for doubtful debts	**(1,059)**	(1,667)
	78,175	119,950

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

9. TRADE RECEIVABLES (CONTINUED)

(ii) The ageing analysis of trade receivables is as follows:

	2008 RMB'000	2007 RMB'000
Current to 30 days	**26,336**	46,194
31 to 60 days	**29,894**	41,329
61 to 90 days	**14,643**	15,907
Over 90 days	**8,361**	18,187
	79,234	121,617
Less: Allowance for doubtful debts	**(1,059)**	(1,667)
	78,175	119,950

10. TRADE PAYABLES

The ageing analysis of trade payables of the Group is as follows:

	2008 RMB'000	2007 RMB'000
Current to 30 days	**56,843**	65,992
31 to 60 days	**23,849**	37,753
61 to 90 days	**14,669**	22,677
Over 90 days	**15,346**	22,761
	110,707	149,183

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

11. CONVERTIBLE BOND

On 16 May 2007, the Company issued US$12,000,000 redeemable convertible bond. The bond carries coupon interest rate of 5.2% per annum, which is payable semi-annually in arrears. The bond is convertible into ordinary shares of the Company at an initial conversion price of HK$2.07 per conversion share and subsequently HK$1.923 as a result of adjustments arising from bonus issues of the Company (subject to adjustments in accordance with the terms of the convertible bond) at any time during the period commencing from the date of issue of convertible bond.

Unless previously redeemed, repurchased and cancelled or converted, any outstanding convertible bond shall be redeemed, plus any accrued and unpaid interest, on the third anniversary of the issue date of the convertible bond.

The Company has no right to make early redemption without the consent of bondholder or its designated affiliates.

11. CONVERTIBLE BOND (CONTINUED)

The convertible bond is denominated in United States dollar ("US$") which is different from the functional currency of the Company, the bond issuing entity. As such, the exercise of conversion option would not result in settlement by the exchange of a fixed amount of cash for a fixed number of shares of the Company. The embedded derivative of conversion option is therefore accounted for as a financial liability. The proceeds from the issue of the convertible bond of US$12,000,000 (equivalent to RMB91,897,000) have been split into liability and derivative components. On issue of the convertible bond, the fair value of the derivative component is determined using an option pricing model and this amount is carried as a derivative component of the liability until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the liability component and is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The derivative component is measured at fair value on the issue date and any subsequent changes in fair value of the derivative component as at the balance sheet date are recognised in the consolidated income statement.

The movements of the liability component and derivative component of the convertible bond are as follows:

	Liability component of convertible bond	**Derivative component of convertible bond**	**Total**
	RMB'000	RMB'000	RMB'000
At the issuance date	61,312	30,585	91,897
Direct transaction costs	(1,451)	–	(1,451)
Imputed interest *(Note 4)*	7,853	–	7,853
Fair value gain	–	(15,214)	(15,214)
Unrealised exchange gain *(Note 4)*	(2,592)	(1,568)	(4,160)
At 31 December 2007	65,122	13,803	78,925
Amount due within one year (interest payable included in accruals and other payables)	(2,927)	–	(2,927)
Amount classified as non-current liabilities as at 31 December 2007	62,195	13,803	75,998
Imputed interest *(Note 4)*	13,508	–	13,508
Fair value gain	–	(11,877)	(11,877)
Unrealised exchange gain *(Note 4)*	(3,931)	(844)	(4,775)
At 31 December 2008	71,772	1,082	72,854
Amount due within one year (interest payable included in accruals and other payables)	(4,263)	–	(4,263)
Amount classified as non-current liabilities as at 31 December 2008	67,509	1,082	68,591

11. CONVERTIBLE BOND (CONTINUED)

Interest on the convertible bond is calculated using the effective interest method by applying the effective interest rate of 19.5% per annum.

The fair value of the derivative component of the convertible bond is determined taking into account the valuation performed by RHL Appraisal Ltd., an independent firm of professionally qualified valuers, using the Binomial Model with the major inputs as at 31 December 2007 and 31 December 2008 as follows:

	31 December 2008	31 December 2007
Share price	**HK$0.9**	HK$1.66
Exercise price	**HK$1.923**	HK$2.07
Volatility	**47.164%**	44.29%
Risk free rate	**0.352%**	2.68%

During the year, there was a significant decrease in the share price of the Company, and accordingly, the fair value of the derivative component of the convertible bond decreased, resulting in a fair value gain of RMB11,877,000 (2007: RMB15,214,000).

Subsequent to 31 December 2008, the convertible bond is satisfied by way of the Group's issue of a promissory note of US$12,000,000 to the holder of convertible bond.

12. SIGNIFICANT NON-ADJUSTING POST BALANCE SHEET EVENT

On 23 February 2009, at the bondholder's request and in consideration for the bondholder's agreement to terminate the convertible bond, the Company issued a promissory note (the "Promissory Note") in favour of the bondholder whereby the Company promised to pay to the bondholder the loan of US$12,000,000 in accordance with the terms and conditions set forth in the Promissory Note, whereby installments of US$3,000,000, US$4,000,000 and US$5,000,000 are repayable on 26 February 2009, 30 April 2009 and 30 June 2009, respectively. The obligation of the Company under the Promissory Note is fully and irrecoverably guaranteed by a director of the Company. Details of the transaction are set out in the Company's announcement dated 23 February 2009.

CHAIRMAN'S STATEMENT

On behalf of the management team of the Group (the "Group" refers to the Company and its subsidiaries), it is my honour to express my sincere gratitude to every shareholders, customers, all our staff and parties who are supportive to the Group. I would like to take this opportunity to present the operating results of the Group for the year 2008 and its future prospect for the year 2009.

RESULTS PERFORMANCE AND DIVIDEND POLICY

The manufacturing business of New Focus Auto Tech Holdings Limited (the "Company") focuses on the manufacturing of innovative products in respect of auto green lighting and automotive electronic power, while its chain retail business is committed to providing professional automotive aftermarket services.

For the year ended 31 December 2008, the consolidated turnover of the Group amounted to RMB707,426,000, representing a decrease of 7.3% as compared to the corresponding period of 2007; while its gross margin increased from 18.39% in 2007 to 23.41%.

Operating profit was RMB21,476,000, representing a growth of 34.67% as compared to the corresponding period last year; profit attributable to shareholders was approximately RMB10,922,000 and earnings per share were RMB2.42 fen.

Among which, the consolidated turnover of NFA, an alias of the manufacturing business of the Group, amounted to RMB485,062,000, representing a decrease of approximately 16.0% as compared to the corresponding period of 2007, while the gross margin was 16.35%, up approximately 14.5% as compared to the corresponding period last year.

The consolidated turnover of AUTOLIFE, an alias of the chain retail business of the Group, amounted to RMB222,364,000, representing a growth of approximately 19.5% as compared to the corresponding period of 2007. It realized an operating profit of RMB1,901,000, representing a remarkable leap from the negative figure of RMB4,813,000 recorded in the corresponding period last year.

Autolife contributed 31.43% to the consolidated turnover of the Group, representing an increase of 7 percentage points from 2007, further consolidating its leading position in the automotive chain retail industry in the PRC.

In order to ensure a healthy and active development momentum of the Group amidst the ever-changing macro economy, the Board unanimously believes that the preservation of sufficient cash is essential to the long-term benefits of the Company and the shareholders, therefore, the Board does not recommend any payment of dividend for this year.

BUSINESS PROGRESS

Automobile green lighting and electronic power manufacturing business – NFA

During 2008, due to the economic crisis triggered by the credit crunch, the demand in North America market drastically decreased and the confidence of consumers wavered, causing many enterprises principally engaged in export business forced to close. The export of certain products of NFA was inevitably affected. During the period, the significant price fluctuation of the raw materials and the appreciation of RMB had exerted pressure on the export business of NFA.

Before the out burst of the sub-prime loan crisis, the NFA management had already foreseen an unfavourable economic development in the second half of 2008, and thus made timely adjustment on its operating strategies, setting a key corporate target for maintaining and enhancing the gross margin of the products, as well as implementing cost control measures, thereby realizing increase of 14.5% in gross margin as compared to the corresponding period last year. Such a result symbolized the strong and flexible management capability of the management of NFA and their risk resistance capacity under such unfavourable economic situation.

The operating strategies of the management mainly consisted the followings:

1. discontinued the manufacturing of some low margin products; optimized resource allocation with focus on the manufacturing and sales of high margin products. In light of the above, the decrease in turnover was partly attributable to the measures actively implemented by the management to enhance operating profit;

2. implemented stringent control on costs and expenses; adopted various measures such as fixing raw material prices so as to mitigate the impact caused by the fluctuation of raw material prices; streamlined the whole processes from research and development, procurement to manufacturing to ensure effective cost reduction in every steps of the processes;

3. explored new business channel and sales model. Despite the resultant increase in management and marketing expenses to a certain extent, such effort had paved a solid foundation for the future development of sales channels, and the result is expect to be revealed in 2009;

During the period under review, the management of NFA had made active respond to the pressure and impact exerted by the rapid change in the macro-economic environment, adhered to its stable and aggressive development strategy, and made timely adjustment on the operation objective. As such, it realized a growth of profit margin of over 10%. On 15 December 2008, NFA obtained the filed approval from the relevant State authority, which confirmed its qualification of being a high and new technology enterprise in Shanghai for the year 2008. Consequently, NFA is entitled to a preferential tax rate in accordance with the relevant regulations of the PRC.

The Automotive Aftermarket Chain Retail Business – Autolife

As a pioneer and leader among the chain service providers in the automotive aftermarket in the PRC, Autolife has full confidence on the development prospect of the automotive aftermarket in the PRC and adhere to its mission of providing convenient and professional services to automobile enthusiasts.

During the period under review, the turnover and gross profit of Autolife increased 19.5% and 49.12% respectively, and the operating profit of Autolife reached RMB1,901,000 during the period, representing a remarkable leap from the negative figure of RMB4,813,000 recorded in the corresponding period last year. Such results reflect not only the realization of its strategy of becoming the leader in the Great China region in terms of store network and sales income, but also symbolizing the initial results of such development strategy.

During the period under review, Autolife achieved the following milestones:

1. the number of directly operating super stores increased from 23 in 2007 to 34. The rapid growth in the number of Super stores laid a solid foundation for the continuous growth of sales scale and profit margin in 2009;

2. there were in aggregate more than 390 franchised stores throughout the PRC, which further optimizing the service network;

3. during the period under review, the integration of procurement and information system by the service business by leveraging on the scale of economy had become effective, thereby enhancing the profitability of single store and fundamentally realizing breakeven for the service business;

During the period under review, Autolife adhered to its 5-year strategic plan. Based on the market segmentation, it had formulated a sound profit-making model through concrete experience and paved the way for rapid growth in the near future.

FUTURE PROSPECTS

Although the global economic depression will sustain in 2009 and the export industry will continue to face challenges. The management team of NFA will continue its emphasis on increasing the operating profit and strengthening the internal control. Through cost saving measures in every operating procedure, efficiency enhancement and continual reduction of operating costs and expenses, NFA will endeavor to achieve better return in 2009.

With further improvement and expansion of the service network and well-defined profit-making model, it is expected that Autolife will further realize the profitability and scale of economy of its chain outlets in 2009 by leveraging on the edge of scale of economy and optimizing internal resource integration.

APPRECIATION

I would like to take this opportunity to express my sincere gratitude to all shareholders, staff and parties who have shown their concern to the Group for their continuing support in 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The manufacturing business of the Company focuses on the manufacturing of innovative products in respect of green lighting and electronic power, while its chain retail business is committed to providing professional automotive aftermarket products and services for car owners.

RESULTS HIGHLIGHTS

Revenue

As at 31 December 2008, the Group recorded a consolidated turnover of approximately RMB707,426,000. (2007:RMB763,451,000)

The consolidated turnover of NFA, amounted to approximately RMB485,062,000 (2007: RMB577,441,000), representing a decrease of approximately 16.0% as compared to the corresponding period of 2007. The decrease was mainly because the Company's prompt adjustment on the sales strategies in light of the unfavourable macro-economic condition, with an aim to maintain and boost its overall gross margin by discontinuing the production of low margin products.

For AUTOLIFE, the consolidated turnover amounted to approximately RMB222,364,000 (2007: RMB186,010,000), representing a growth of approximately 19.5% as compared to the corresponding period of 2007. At present, the share of sales from the chain retail business in the Group's consolidated turnover increased from 24.36% in the corresponding period last year to 31.43%.

Gross Profit and Gross Margin

The overall gross profit of the Group was RMB165,621,000 (2007: RMB140,384,000), up 17.98% as compared to that of 2007. Gross margin increased from 18.39% in 2007 to 23.41%.

Among which, the gross profit of NFA, amounted to approximately RMB79,284,000 (2007: RMB82,486,000). In spite of the twofold pressure arising from the appreciation of RMB and the significant price fluctuations of raw materials, the overall gross margin of NFA reached 16.35%, representing a growth of 14.5% as compared to the corresponding period of 2007.

The gross profit of AUTOLIFE, was approximately RMB86,337,000 (2007: RMB57,898,000), representing an increase of approximately 49.12% as compared to that of 2007, while its overall gross margin reached 38.8%, representing a growth of 24.76% as compared to the corresponding period of 2007.

Expenses

Sales and marketing expenses for the period were approximately RMB89,973,000 (2007: approximately RMB70,348,000), representing a growth of 27.90%. The increase was mainly attributable to:

- the increase of marketing expense due to the active exploration of direct sales channels by NFA;
- the corresponding increase in marketing expenses due to the addition of 8 Super stores in the regional headquarters in Taiwan by Autolife;
- the corresponding increase in marketing expenses due to the addition of 3 Super stores in the regional headquarters in Beijing by Autolife.

During the period, the administrative expenses were approximately RMB65,901,000 (2007: RMB70,287,000), representing a decrease of approximately 6.2% as compared to the corresponding period of 2007. It was mainly due to further efforts made by the management to control expenses in respond to the adverse effect from the financial crisis.

Operating profit

The operating profit of the Group was approximately RMB21,476,000 (2007: approximately RMB15,947,000), representing an increase of 34.67% as compared to the corresponding period last year.

The reason for the significant increase in the operating profit of the Group was that amidst the unfavourable market conditions caused by the ever-changing macro-economic environment, the notably sluggish economic growth and the occurrence of severe natural disasters, the management was able to take stock of the situation and adhere to its prudent and flexible operating strategy with an aim to boost the gross margin of the products and discontinue the production of low margin products, as well as implementing strict control on the production cost and various types of expenditures. All these measures ensure healthy growth of the operating profit.

Finance costs

Net finance costs amounted to approximately RMB15,562,000 (2007: approximately RMB8,732,000), up 78.22%. The increase was mainly attributable to:

- the interest expenses for the whole year amounting to approximately RMB13,508,000 assumed in respect of the issue of US$12,000,000 convertible bonds;

- the restrictive currency policy implemented by the PRC government during the first half of 2008 to prevent inflow of hot money and to cool down the overheating economy, which generated hurdle for smooth settlement and remittance of capitals from overseas, resulting to a significant increase of the finance cost of the company as compared to that of last year.

Taxation

- Income tax expense was approximately RMB4,996,000 (2007: approximately RMB1,067,000), representing a growth of 368.23%, which was mainly due to the following:

- the preferential income applicable to NFA had expired at the end of 2007. In accordance with the policy effective from 1 January 2008, the NFA L&P was granted by the Shanghai government the qualification of being a "national high and new technology enterprise", thus enjoying a applicable income tax rate of 15%, representing an increase of approximately 3 percentage points as compared to the tax rate of 12% in 2007;

- the income tax exemption period of Shangdong Longsheng had expired in 2007, thus the applicable tax rate for 2008 was 12.5%;

- as at the end of 2007, the regional headquarters in Taiwan of the service business had offset all losses incurred in the previous years. The applicable tax rate for 2008 was 25%.

Profit attributable to shareholders

Profit attributable to shareholders was approximately RMB10,922,000 (2007: RMB17,849,000) and earnings per share was RMB2.42 fen (2007: RMB3.99 fen).

FINANCIAL STATUS AND LIQUIDITY

The Group had maintained stable financial status during the period. During the period of review, the current assets of the Group maintained at a healthy level.

The cash flow generated from the operating activities of the Group was RMB18,434,000 (2007: outflow of RMB12,308,000).

The net current assets was approximately 116,203,000 (2007: approximately RMB163,844,000), with a liquidity ratio of 1.47 (2007: 1.57). The decrease of the net current assets was due to completion of the construction of the third factory of NFA .

Gearing ratio calculated by dividing total liabilities by total assets was 53.6% (2007: 57.4%).

As at 31 December 2008, the total bank borrowings of the Company were RMB110,289,000 all of which are made in RMB (2007: approximately RMB102,423,000).

The Group maintains a strong and healthy cash flow, bank deposits and bank facilities, which are sufficient to finance its working capital, capital expenditure and future investment.

During the period under review, cash expenditures used in the investing activities of the Group were approximately RMB63,717,000 (2007: RMB42,100,000), which was attributable to the construction of the third factory of NFA and the expansion of the service chain stores.

EXCHANGE RISK

During the period under review, the settlement currency of the Group was mainly USD. In order to minimize exchange risk, the Group entered into with the principle banks the forward currency contracts and currency swap contracts, fixed exchange rate by entering into procurement contracts and adjusted the quotation policy in order to transfer the cost pressure to both up and down streams. The Group has no material exposure to foreign exchange risks.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2008, the Group employed a total of 2,679 full-time employees, of which 319 were managerial staff. In order to attract and retain the stability of the core team and managerial staff, the Group intends to grant more options to a majority of staff out of the 15,380,000 share options available, thereby further reinforcing the responsibility and stability of the employees of the Company.

BUSINESS REVIEW

Automobile green lighting and electronic power manufacturing business – NFA

During 2008, with the adverse macro-economic environment sustained since 2007. NFA had to face huge challenges, including:

- the continuing and intensifying fluctuation in the prices of major raw materials needed in the manufacturing business;
- the aggregated appreciation of RMB to USD exchange rate of approximately 6%;
- the wavering consumer confidence caused by the global financial crisis;
- the restrictive currency policy adopted by the PRC government;
- the significant slow-down of the economic growth in the second half of the year;

Under the sophisticated and ever-changing economic environment, NFA is highly confident to the huge business opportunities arising from the emerging markets in the Greater China region. The management was able to maintain stable development momentums by insistently implementing its strategy of "developing the automotive parts and accessories market and OEM markets in the PRC, and switching its focus from the manufacturing of diversified products to specializing in automobile electronic and green lighting products", as well as implementing its healthy and flexible operating measures:

(1) Setting up additional overseas direct sales channels for NFA products;

  - NFA had established sales office in North America to directly provide timely pre-sale and after-sales service to customers;
  - The establishment of such sales office could help NFA to keep abreast of the market trend of North America and obtain more market information;

(2) Actively developing the automotive after market in the PRC:

  - during the period under review, the sales generated from the automotive parts and accessories market in the Greater China region amounted to approximately 13% of the total sales of NFA;
  - NFA had sustained development and comprehensively optimized three key series of products, namely automotive converters, chargers and POWER PACK in order to maintain and strengthen the competitive edges of these products.

Secondly, NFA had adopted various measures to actively respond to the unfavourable macro economic conditions, thereby enabling a steady growth of the gross margin of NFA products of 14.5% as compared to that of 2007;

(1) Streamlining production lines and perfecting price quotation strategy:

- In light of the advantages such as lower labour costs and preferential tax rate of the Shandong factory, the production of lower margin POWER PACK and JUMP START products will be gradually transferred to Shandong factory, which could help increasing the gross profit margin of the products by 4% to 5%;

- Increasing selling prices by 8%-10% , NFA had continued to adopt the price quotation strategy adjusted in 2007. To a certain extent, this had mitigated the impact of substantial price fluctuations of raw materials;

(2) Directly supplying stocks to two large-scale chain retailers in North American region since the first half of 2008, and arranging substantial cooperation with another large-scale chain retailer;

(3) Enhancing production capacity, optimizing resource allocation as well as further upgrading product quality:

- the construction of a new production base in Shanghai was completed at the end of December 2008 and had commenced operation since early 2009;

- comparing to the original production base in Shanghai , the production capacity of phase I of the new base increased by over 15%, and due to the upgrade of production automation, the optimization of product quality and production efficiency was maximized;

During the period under review, the macro environment and the increasing raw material price and labour costs had made adverse impact on numerous production-oriented enterprises. The NFA management has adopted healthy and flexible operating strategy under such unfavourable macro environment. In addition to the effective implementation of the forward-looking strategy plans, the smooth executions of the abovementioned responsive measures were also the reason for the healthy growth in gross profit.

Automotive aftermarket chain retail business – AUTOLIFE

Autolife is committed to providing professional automotive aftermarket services. After five years of market exploration, its development strategy had been transformed from initial expansion of scale to the exaltation of brand name value, and from expansion of chain store number to improvement of chain store profitability.

The operation mode of Autolife chain store network was adjusted into two main categories: Super stores and Convenient stores. Other than the steady growth in the turnover of the service business, the turnover reached RMB222,364,000 (2007: approximately RMB186,010,000) during the period under review, with operating profits amounted to approximately RMB1,901,000 (2007: approximately operating loss of RMB4,813,000).

During the period under review, Autolife emphasized on the systems integration of product procurement, technical research and development, human resources management and information by exerting the scale of economy of its chain networks, thereby, enabling Autolife to differentiate itself from other peers in terms of the commodity prices, the technical services and the convenience of services.

Firstly, building on the established Shanghai base and regional headquarters in the Greater China region, the Group had been committed to developing a store network in the region in order to provide support such as technical support and service support to directly operating stores and franchised stores in the region;

- the regional headquarters in Beijing: in 2008, the regional headquarters in Beijing had actively developed new network channels by adding 3 Super stores to the original 12 Super stores in 2007. The number of retained customers and the brand awareness both ranked number one among the automotive chain store industry in Beijing;

- the regional headquarters in Taiwan, in 2008, 5 more Super stores were added through merger and acquisition and 3 more Super stores were added by self-development. There are currently 15 Super stores in total, which realized the integration of Taiwan region, and further consolidated the leading position in Taiwan in terms of the scale of store network, turnover and the brand awareness;

- the regional headquarters in Shanghai: as at the end of 2008, there were totally 3 stores in Shanghai. By devoting more emphasis on the enhancement of turnover and operating profit of single store, it had achieved steady development which accomplished advantages regarding its services and brand;

- the regional headquarters in Chengdu: during 2008, there were 2 Super stores in Chengdu. This pave a solid foundation for the future network and channel development of Autolife in the Southwestern region;

As at the end of December 2008, Autolife had 34 directly operating Super stores, representing an increase of 11 stores as compared to the corresponding period last year. The successful expansion and establishment of directly operating Super stores had symbolized a guarantee of steady growth in the turnover and operating profit of Autolife.

Secondly, building on its regional headquarters spaning various key regions and cities such as Beijing, Shanghai, Zhejiang, Guangdong, Tianjin, Nanjing, Jiangsu and Chengdu, and using its directly operating Convenient stores as sample, Autolife had extended its network of franchised stores to the surrounding cities. As at the end of December 2008, there were over 390 franchise stores.

FUTURE PROSPECTS

Automobile green lighting and electronic power manufacturing business – NFA

The Group will be committed to grasping the opportunities brought by the robust development of the automobile aftermarket in the PRC and further enhancing the market share of NFA in the automobile aftermarket in the PRC in 2008. In addition to perfecting the development of its 5 key product series, the

Group will continue to maintain its research and development edge in the manufacturing industry and focus on the research, development and manufacturing of green power related automobile electronic power products.

Building on the development milestone that NFA has become the first-tier OEM supplier for various renowned automotive manufacturers in the world and the PRC, the management will exert the advantages of the existing business platform to carry out corresponding business chain integration. Through its established sales channels, the Group will strive to diversify its product variety in order to increase the operation scale of NFA.

Despite the expected unfavourable economic condition in 2009, the management of NFA is confident that, through sound and flexible operating strategy, the healthy growth of the manufacturing business will be sustained.

Automotive aftermarket chain retail business – AUTOLIFE

With the completion of strategic planning for the regional headquarters, the profit model of Super Stores became specific and the scale of economy of the chain store network is being achieving gradually. Autolife has already realized break-even in 2008.

The service business will sustain its development strategy of store network expansion and profitability enhancement. On one hand, it will improve the profitability of headquarters and every chain network by optimizing resources and management integration. On the other hand, the management of the service business will strive to identify and cooperate with quality Super Store operators in the region in order to expand the service network. In addition, leveraging on the solid experiences in the industry and resources advantage of these quality operators, together with the operational and financial supports from the headquarters of the service business, both the expansion of service network and enhancement of profitability will be achieved.

CORPORATE GOVERNANCE

Save as disclosed below, in the opinion of the Directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices ("Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the year under review.

Under A.2.1 of the Code, "the roles of chairman and chief executive officer should be separate and should not be performed by the same individual". Mr. Hung Wei-Pi, John concurrently takes up the posts of chairman and chief executive officer of the Company. Such deviation is due to the fact that the day-to-day management of the Group is led by Mr. Hung. The Board considers that this arrangement provides the Group with strong and consistent leadership and allows for effective and efficient planning and implementation of business strategies and decisions.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions of Directors no less exacting than the required standard set out in Appendix 10 of the Listing Rules as the code of conduct for securities transactions by directors (the "Model Code"). To ensure the Directors' dealings in the securities of the Company are conducted in accordance with the Model Code, a committee (the "Securities Committee") of the Board comprising Mr. Hung Wei-Pi, John as chairman and Ms. Hung Ying-Lien was set up to deal with such transactions. Prior to any dealing in the securities of the Company, a Director is required to notify the chairman of the Securities Committee or in the case of dealings by Mr. Hung Wei-Pi, John himself, notify Ms. Hung Ying-Lien in writing and obtain a written acknowledgement from the Securities Committee. Having made specific enquiry of all Directors by the Securities Committee of the Company, all Directors confirmed that they had complied with the Model Code regarding directors' securities transactions during the year.

AUDIT COMMITTEE

The Audit Committee has three members, namely Mr. Du Haibo, Mr. Zhou Tai-Ming and Mr. Uang Chii-Maw. Mr. Du Haibo has been appointed as the chairman of the Audit Committee. The duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The Group's annual results for the year had been reviewed by the Audit Committee.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2008 (2007: RMBNil).

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

During the year, the Company repurchased a total of 264,000 of its ordinary shares of HK$0.10 each on the Stock Exchange of Hong Kong Limited at prices ranging from HK$0.86 to HK$0.88 per share, for a total consideration of HK$229,594.

Apart from the above, there were no purchases, sales or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year.

ANNUAL GENERAL MEETING

The 2008 Annual General Meeting of the Company will be held on 3 June 2009 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 Monday, 1 June 2009 to Wednesday, 3 June 2009 (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 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Friday, 29 May 2009.

By order of the Board
New Focus Auto Tech Holdings Limited
Hung Wei-Pi, John
Chairman

Hong Kong, 21 April 2009

As at the date of this announcement, the Board comprises: executive Directors – HUNG Wei-Pi, John, WU Kwan-Hong, HUNG Ying-Lien, LU Yuan Chen, Douglas Charles Stuart FRESCO and Norman L. MATTHEW; non-executive Directors – LOW Hsiao-Ping, LI Jung Hsing and SHIH I-Ping; and independent non-executive Directors – DU Haibo, ZHOU Tai-Ming and UANG Chii-Maw.