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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors of the Company that the Group is expected to record a net loss attributable to equity holders of more than RMB160 million for the year ended 31 December 2019 as compared to a net profit attributable to equity holders of approximately RMB108 million for the year ended 31 December 2018.

This announcement is made by New Focus Auto Tech Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on information currently available, the Group is expected to record a net loss attributable to equity holders of more than RMB160 million for the year ended 31 December 2019 (the “**Year**”) as compared to a net profit attributable to equity holders of approximately RMB108 million for the year ended 31 December 2018. This net loss was mainly attributable to, among others, the following factors:

1. a significant adverse influence on the Group’s manufacturing business during the Year caused by the Sino-US trade war which led to a decrease in its export sales revenue;

* *For identification purposes only*

2. an overall downward trend in the sales of passenger vehicles in China during the Year, resulting in a substantial loss incurred by the Group's automotive dealership and services business; and
3. fierce competition from e-commerce business in China faced by the Group's retail and wholesale services businesses.

This announcement is made on the basis of the preliminary assessment by the Board of the unaudited management accounts of the Group, which have not been audited or reviewed by the auditors of the Company. The Group might also record additional impairment provision for the deprecation in its goodwill and intangible assets and the anticipated credit loss in relation to its receivables and other financial assets in accordance with the International Financial Reporting Standard, the exact amount of which is still subject to possible adjustment pursuant to the relevant assessment conclusion to be obtained.

The audited financial information of the Group for the Year will be disclosed in the forthcoming annual results announcement of the Company for the Year (the "**Annual Results Announcement**") and the actual results may be different from what is disclosed in this announcement. Shareholders and potential investors of the Company are advised to read the Annual Results Announcement carefully when it is published.

Following the Company's publication of the announcement dated 15 January 2020 (the "**3.7 Announcement**"), the Company is required to comply with the relevant requirements under the Code on Takeovers and Mergers (the "**Takeovers Code**"). The above figure of expected net loss contained in this announcement (the "**Profit Warning Information**") constitutes a profit forecast under Rule 10 of the Takeovers Code and is required to be reported on by the Company's financial advisers and its accountants or auditors in accordance with Rule 10.4 of the Takeovers Code. Since this announcement is required to be made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO, which require the Company to disclose any inside information as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

Shareholders and potential investors of the Company should note that the Profit Warning Information does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution when placing reliance on the Profit Warning Information in assessing the merits and demerits of the Possible Transaction (as defined in the 3.7 Announcement) (if the Possible Transaction eventually materialises) and dealing in the securities of the Company.

Pursuant to Rule 10.4 of the Takeovers Code, the reports from the Company's auditors and financial advisers on the Profit Warning Information are required to be included in the next document (the "**Document**") to be sent to the Shareholders by the Company in connection with the Possible Transaction (as defined in the 3.7 Announcement), if the Possible Transaction eventually materialises.

It is expected that the Annual Results Announcement will be published in March 2020. In the event that the Annual Results Announcement is published prior to the despatch of the Document, the requirement under Rule 10 of the Takeovers Code to report on the Profit Warning Information contained in this announcement will be superseded by the publication of the Annual Results Announcement. Otherwise, the Profit Warning Information contained in this announcement shall be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the Document to be sent to the Shareholders.

Shareholders and potential investors of the Company should be aware that there is no assurance that the Possible Transaction will proceed. Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on this announcement in assessing the merits and demerits of the Possible Transaction and dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

By order of the Board
New Focus Auto Tech Holdings Limited
Tong Fei
Executive Director

Hong Kong, 17 February 2020

As at the date hereof, the Board comprises: executive Director – TONG Fei; non-executive Directors – WANG Zhenyu and ZHANG Jianxing; and independent non-executive Directors – HU Yuming, LIN Lei and ZHANG Xiaoya.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.