



新焦點汽車技術控股有限公司*

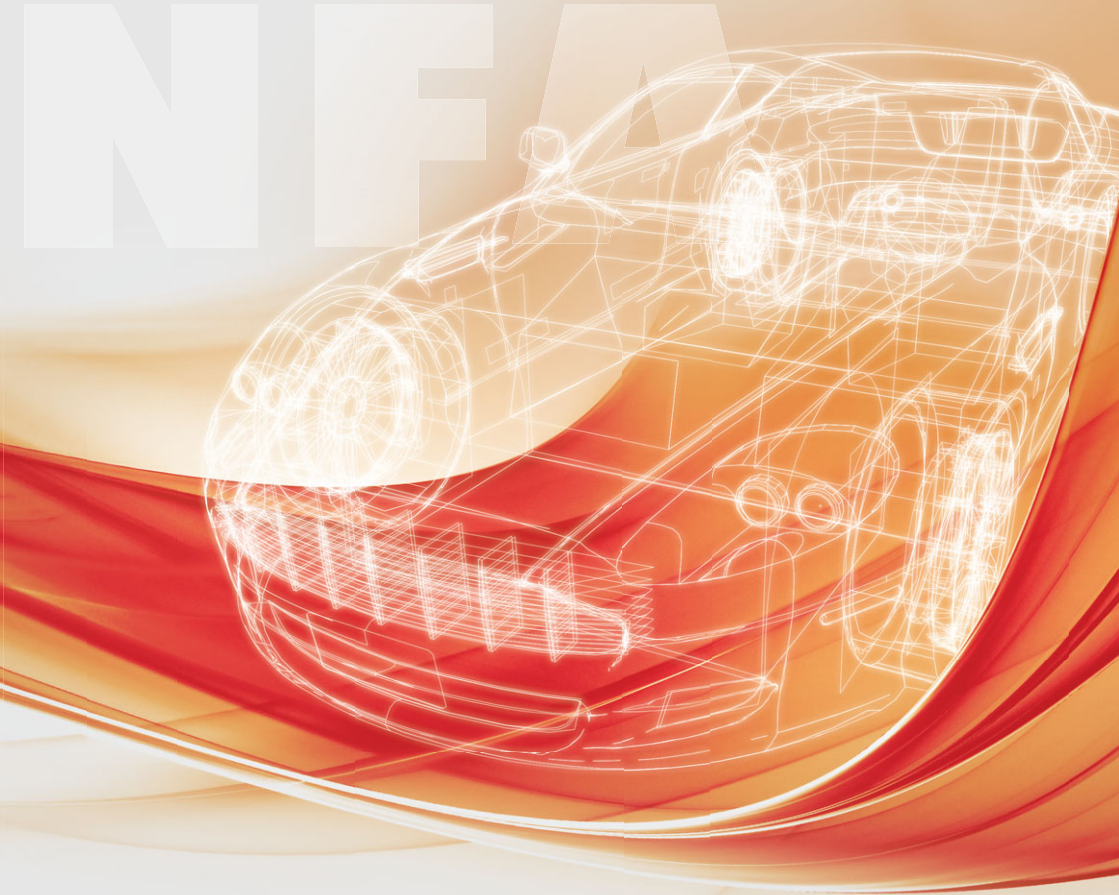
New Focus Auto Tech Holdings Limited

(Incorporated in the Cayman Islands with limited liability) Stock Code: 360

INTERIM REPORT 2022



NFA[®]



* For identification purpose only

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CORPORATE INFORMATION

Directors

Executive Director

Tong Fei

Non-executive Directors

Wang Zhenyu

Zhang Jianxing (*Acting Chairman*)

Independent Non-executive Directors

Hu Yuming

Lin Lei

Zhang Xiaoya

Chief Executive Officer

Zhao Yufeng

Chief Financial Officer

Chen Long

Company Secretary

Liu Xiaohua

Registered Office

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Cayman Islands

Principal Place of Business in Hong Kong

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Wan Chai

Hong Kong

Auditor

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

31/F, Gloucester Tower

The Landmark, 11 Pedder St., Central

Hong Kong

Legal Advisers

CFN Lawyers

27/F, Neich Tower

128 Gloucester Road

Hong Kong

Principal Share Registrar and Transfer Office

Suntera (Cayman) Limited

Suite 3204, Unit 2A

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Gardenia Court

Camana Bay

Grand Cayman KY1-1100

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Computershare Hong Kong

Investor Services Limited

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Wan Chai

Hong Kong

Stock Code

360

Website

<https://www.nfa360.com>

INTERIM FINANCIAL REPORT

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Restated) (Unaudited)
Continuing operations:			
Revenue	4	247,789	377,930
Cost of sales and services		(213,758)	(329,135)
Gross profit		34,031	48,795
Other revenue and gains or losses, net	5	11,857	604
Provision of allowance for expected credit losses on trade receivables, deposits, and other receivables, net		696	(3,703)
Distribution costs		(21,147)	(29,426)
Administrative expenses		(27,844)	(33,395)
Finance costs	6	(14,966)	(16,364)
Loss before taxation from continuing operations		(17,373)	(33,489)
Income tax expense	7	(796)	(1,301)
Loss for the period from continuing operations		(18,169)	(34,790)
Discontinued operations:			
Loss for the period from discontinued operations, net of income tax		-	(5,145)
Loss for the period		(18,169)	(39,935)

INTERIM FINANCIAL REPORT

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

(Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Restated) (Unaudited)
Other comprehensive income/(loss) for the period	8		
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(1,288)	2,811
Item that will not be reclassified to profit or loss:			
Financial assets at fair value through other comprehensive income: net movement in the fair value reserve		-	(9,492)
Other comprehensive loss for the period, net of tax		(1,288)	(6,681)
Total comprehensive loss for the period		(19,457)	(46,616)
Loss for the period attributable to			
Equity shareholders of the Company			
– from continuing operations		(17,824)	(34,558)
– from discontinued operations		-	(2,578)
		(17,824)	(37,136)
Non-controlling interests			
– from continuing operations		(345)	(232)
– from discontinued operations		-	(2,567)
		(345)	(2,799)
		(18,169)	(39,935)

INTERIM FINANCIAL REPORT

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

(Continued)

For the six months ended 30 June 2022

(Expressed in Renminbi)

		Six months ended 30 June	
	Note	2022 RMB'000 (Unaudited)	2021 RMB'000 (Restated) (Unaudited)
Total comprehensive loss attributable to			
Equity shareholders of the Company			
– from continuing operations		(19,112)	(41,239)
– from discontinued operations		–	(2,578)
		(19,112)	(43,817)
Non-controlling interests			
– from continuing operations		(345)	(232)
– from discontinued operations		–	(2,567)
		(345)	(2,799)
		(19,457)	(46,616)
Loss per share:			
		9	
Basic and diluted (RMB cents)			
– from continuing operations		(0.263)	(0.511)
– from discontinued operations		–	(0.038)
– from continuing and discontinued operations		(0.263)	(0.549)

INTERIM FINANCIAL REPORT

Unaudited Consolidated Statement of Financial Position

As at 30 June 2022

(Expressed in Renminbi)

	Note	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	11	59,771	62,272
Right-of-use assets	11	31,261	13,433
Deposit paid for right-of-use assets		-	17,922
Investment properties	11	47,162	47,162
Other intangible assets	11	-	-
Deferred tax assets		3,252	3,682
		141,446	144,471
Current assets			
Inventories	12	138,929	131,849
Trade receivables	13	91,491	143,710
Financial assets at fair value through profit or loss	14	502	880
Deposits, prepayments and other receivables		585,913	582,670
Cash and cash equivalents		85,835	38,929
		902,670	898,038
Current liabilities			
Trade payables	15	244,839	246,487
Accruals and other payables		175,117	163,904
Contract liabilities		48,825	44,413
Lease liabilities		2,494	2,796
Tax payable		4,281	3,667
Bank and other borrowings	16	268,498	264,035
		744,054	725,302

INTERIM FINANCIAL REPORT

Unaudited Consolidated Statement of Financial Position (Continued)

As at 30 June 2022

(Expressed in Renminbi)

	Note	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Net current assets		158,616	172,736
Total assets less current liabilities		300,062	317,207
Non-current liabilities			
Lease liabilities		1,390	2,600
Deferred tax liabilities		9,941	9,820
Bank and other borrowings	16	113,251	110,326
		124,582	122,746
NET ASSETS		175,480	194,461
CAPITAL AND RESERVES			
Share capital	17	556,286	556,286
Reserves	18	(395,721)	(376,487)
Total equity attributable to equity shareholders of the Company		160,565	179,799
Non-controlling interests		14,915	14,662
TOTAL EQUITY		175,480	194,461

INTERIM FINANCIAL REPORT

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

(Expressed in Renminbi)

	Share capital RMB'000	Share premium and other reserves RMB'000 <i>(Note 18)</i>	Accumulated losses RMB'000	Attributable to equity shareholders of the Company RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
Balance at 1 January 2022	556,286	1,519,192	(1,895,679)	179,799	14,662	194,461
Loss for the period	-	-	(17,824)	(17,824)	(345)	(18,169)
Other comprehensive loss for the period	-	(1,288)	-	(1,288)	-	(1,288)
Total comprehensive loss for the period	-	(1,288)	(17,824)	(19,112)	(345)	(19,457)
Change in ownership interest in subsidiaries	-	(122)	-	(122)	122	-
Capital injection from non-controlling shareholders	-	-	-	-	476	476
Balance at 30 June 2022	556,286	1,517,782	(1,913,503)	160,565	14,915	175,480

	Share capital RMB'000	Share premium and other reserves RMB'000 <i>(Note 18)</i>	Accumulated losses RMB'000	Attributable to equity shareholders of the Company RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
Balance at 1 January 2021	556,286	1,529,347	(1,813,430)	272,203	652	272,855
Loss for the period	-	-	(37,136)	(37,136)	(2,799)	(39,935)
Other comprehensive loss for the period	-	(6,681)	-	(6,681)	-	(6,681)
Total comprehensive loss for the period	-	(6,681)	(37,136)	(43,817)	(2,799)	(46,616)
Balance at 30 June 2021	556,286	1,522,666	(1,850,566)	228,386	(2,147)	226,239

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Unaudited Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2022

(Expressed in Renminbi)

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Operating activities		
Cash generated from/(used in) operations	58,557	(14,349)
Income tax paid	(699)	(2,071)
Net cash generated from/(used in) operating activities	57,858	(16,420)
Investing activities		
Purchase of property, plant and equipment	(3,132)	(2,420)
Loans repaid by third parties	2,475	3,320
Loans to a third party	(1,000)	–
Other cash flows arising from investing activities	863	350
Net cash (used in)/generated from investing activities	(794)	1,250
Financing activities		
Net decrease in bank and other borrowings, secured	(6,320)	(647)
Payment of lease liabilities	(1,615)	(5,608)
Capital injection from non-controlling owners of a subsidiary	476	–
Interest paid	(2,699)	(4,126)
Net cash used in financing activities	(10,158)	(10,381)
Net increase/(decrease) in cash and cash equivalents	46,906	(25,551)
Cash and cash equivalents at the beginning of the period	38,929	64,564
Cash and cash equivalents at the end of the period	85,835	39,013

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements

(Expressed in Renminbi unless otherwise indicated)

1. Organisation and Principal Activities

New Focus Auto Tech Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 operating the 4S dealership stores and related business. The Company and its subsidiaries are collectively referred to as the Group.

The directors of the Company (the “**Directors**”) regard CDH Fast Two Limited, a company incorporated in the British Virgin Islands (the “**BVI**”) as the immediate holding company, and China Diamond Holdings Company Limited, a company incorporated in the BVI as the ultimate holding company.

2. Basis of Preparation

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2022 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with International Accounting Standards (“**IAS**”) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (“**IASB**”). It was authorised for issuance on 30 August 2022.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements.

The preparation of interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This unaudited interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards (“**IFRSs**”).

The financial information relating to the financial year ended 31 December 2021 that is included in the unaudited interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2021 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 30 March 2022.

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3. Changes in Accounting Policies

The IASB has issued several amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4. Revenue and Segment Information

Revenue represents the sales value of goods and services provided to customers and is analysed as follows:

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Restated) (Unaudited)
Continuing operations:		
Recognised at a point in time:		
Sale of goods	238,958	352,150
Service income	8,831	25,780
	247,789	377,930

Automobile repair, maintenance and restyling services are typically provided for a period of one year. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(a) Reportable segments

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

Continuing operations

The Group operates in two reportable segments: (i) the manufacture and sale of automobile accessories (the "**Manufacturing Business**"); and (ii) operating the 4S dealership stores and related business (the "**Automobile Dealership and Services Business**").

During the year ended 31 December 2021, the segment of trading of automobile accessories (the "**Wholesale Business**") was discontinued.

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

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4. Revenue and Segment Information (Continued)

(a) Reportable segments (Continued)

Set out below is an analysis of segment information:

	Continuing Operations			Discontinued Operations	Total RMB'000 (Unaudited)
	The Manufacturing Business RMB'000 (Unaudited)	Automobile Dealership and Services Business RMB'000 (Unaudited)	Sub-total RMB'000 (Unaudited)	The Wholesale Business RMB'000 (Unaudited)	
For the six months ended 30 June 2022					
Revenue					
External revenue	185,274	62,515	247,789	-	247,789
Inter-segment revenue	-	-	-	-	-
Segment revenue	185,274	62,515	247,789	-	247,789
Less: inter-segment revenue			-		-
Total revenue			247,789		247,789
Reportable segment results	130	(5,939)	(5,809)	-	(5,809)
Interest income	188	8	196	-	196
Unallocated interest income			8		8
Total interest income			204		204
Interest expenses	(2,027)	(3,210)	(5,237)	-	(5,237)
Unallocated interest expenses			(9,729)		(9,729)
Total interest expenses			(14,966)		(14,966)
Depreciation and amortisation charges	(6,642)	(18)	(6,660)	-	(6,660)
Unallocated depreciation and amortisation charges			(70)		(70)
Total depreciation and amortisation charges			(6,730)		(6,730)

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4. Revenue and Segment Information (Continued)

(a) Reportable segments (Continued)

	Continuing Operations			Discontinued	Total
	The Manufacturing Business RMB'000 (Restated) (Unaudited)	Automobile Dealership and Services Business RMB'000 (Restated) (Unaudited)	Sub-total RMB'000 (Restated) (Unaudited)	Operations The Wholesale Business RMB'000 (Restated) (Unaudited)	
For the six months ended 30 June 2021					
Revenue					
External revenue	239,294	138,636	377,930	7,444	385,374
Inter-segment revenue	-	-	-	-	-
Segment revenue	239,294	138,636	377,930	7,444	385,374
Less: inter-segment revenue			-		-
Total revenue			377,930		385,374
Reportable segment results	12,660	(20,934)	(8,274)	(4,401)	(12,675)
Interest income	34	30	64	9	73
Unallocated interest income			12		12
Total interest income			76		85
Interest expenses	(227)	(6,466)	(6,693)	(744)	(7,437)
Unallocated interest expenses			(9,671)		(9,671)
Total interest expenses			(16,364)		(17,108)
Depreciation and amortisation charges	(6,955)	(6,774)	(13,729)	(255)	(13,984)
Unallocated depreciation and amortisation charges			(720)		(720)
Total depreciation and amortisation charges			(14,449)		(14,704)

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4. Revenue and Segment Information *(Continued)*

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

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Restated) (Unaudited)
Continuing operations:		
Loss before tax		
Reportable segment loss	(5,809)	(8,274)
Unallocated other revenue and gains or losses	5,144	(569)
Unallocated corporate expenses	(6,979)	(14,975)
Unallocated finance costs	(9,729)	(9,671)
	(17,373)	(33,489)
Consolidated loss before taxation		
	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Assets		
Reportable segment assets	865,504	873,271
Unallocated corporate assets	178,612	169,238
	1,044,116	1,042,509
Consolidated total assets		
Liabilities		
Reportable segment liabilities	718,015	712,342
Unallocated corporate liabilities	150,621	135,706
	868,636	848,048
Consolidated total liabilities		

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4. Revenue and Segment Information *(Continued)*

(c) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's investment properties, property, plant and equipment, right-of-use assets and other intangible assets ("**specified non-current assets**"):

	Revenue from external customers		Specified non-current assets	
	Six months ended 30 June		At 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Restated) (Unaudited)	2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
PRC (Place of domicile)	95,602	188,922	138,194	140,789
America	135,630	158,247	-	-
Europe	8,881	4,870	-	-
Asia Pacific	7,676	25,891	-	-
	247,789	377,930	138,194	140,789

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

(d) Major customers

Revenue from customers during the period contributing over 10% of the Group's revenue is as follows:

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Customer A	30,541	38,670

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5. Other Revenue and Gains or Losses

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Restated) (Unaudited)
Continuing operations:		
Interest income	204	76
Exchange gain/(loss), net	10,007	(2,769)
Gross rentals from investment properties and other rental income	833	1,212
Government subsidies	175	657
Fair value loss on financial assets at fair value through profit or loss	(409)	–
Others	1,047	1,428
	11,857	604

6. Finance Costs

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Restated) (Unaudited)
Continuing operations:		
Interest on bank and other borrowings within five years	14,862	13,956
Interest on lease liabilities	104	2,408
	14,966	16,364

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7. Income Tax

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Restated) (Unaudited)
Continuing operations:		
Current tax	245	2,537
Deferred taxation	551	(1,236)
	796	1,301

No provision for Hong Kong profits tax has been made as the Group had no taxable profits arising in Hong Kong for the six months ended 30 June 2022 (30 June 2021: Nil). Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

8. Other Comprehensive Income/(Loss)

	Amount before tax RMB'000 (Unaudited)	Tax expense RMB'000 (Unaudited)	Net of Tax RMB'000 (Unaudited)
For the six months ended 30 June 2022			
Exchange reserve			
Exchange differences on translation of foreign operations	(1,288)	-	(1,288)

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8. Other Comprehensive Income/(Loss) (Continued)

	Amount before tax RMB'000 (Unaudited)	Tax expense RMB'000 (Unaudited)	Net of Tax RMB'000 (Unaudited)
For the six months ended 30 June 2021			
Exchange reserve			
Exchange differences on translation of foreign operations	2,811	-	2,811
Other reserve			
Financial assets at fair value through other comprehensive income: net movement in the fair value reserve	(9,492)	-	(9,492)
	(6,681)	-	(6,681)

9. Loss Per Share

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

	Six months ended 30 June	
	2022 RMB'000	2021 RMB'000
Loss for the period attributable to the equity shareholders of the Company, used in the basic and diluted loss per share calculation		
– from continuing operations	(17,824)	(34,558)
– from discontinued operations	-	(2,578)
	(17,824)	(37,136)
Shares		
Weighted average number of ordinary shares for the basic loss per share calculation	6,767,636,215	6,767,636,215
Weighted average number of ordinary shares adjusted for the effect of all potential ordinary shares	6,767,636,215	6,767,636,215

* No adjustment is made to the diluted loss per share for the six months ended 30 June 2022 (30 June 2021: Nil) as there were no potential dilutive shares in issue.

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10. Dividend

The board of Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2022 (30 June 2021: Nil).

11. Capital Expenses

	Property, plant and equipment RMB'000	Right-of-use assets RMB'000	Investment properties RMB'000	Other intangible assets RMB'000
Beginning net carrying amount as at 1 January 2022	62,272	13,433	47,162	–
Additions	5,012	18,511	–	–
Disposals	(1,466)	–	–	–
Depreciation charges for the period	(6,047)	(683)	–	–
Ending net carrying amount as at 30 June 2022	59,771	31,261	47,162	–

	Property, plant and equipment RMB'000	Right-of-use assets RMB'000	Investment properties RMB'000	Other intangible assets RMB'000
Beginning net carrying amount as at 1 January 2021	82,991	119,550	47,077	2,663
Additions	3,897	–	–	–
Disposals	(331)	–	–	–
Depreciation charges for the period	(10,281)	(4,423)	–	–
Ending net carrying amount as at 30 June 2021	76,276	115,127	47,077	2,663

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12. Inventories

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Raw material	53,188	42,246
Work in progress	24,668	20,804
Finished goods	29,839	28,271
Merchandise goods	31,234	40,528
	138,929	131,849

13. Trade Receivables

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

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Current to 30 days	39,419	58,371
31 to 60 days	15,811	36,083
61 to 90 days	4,307	15,708
Over 90 days	32,750	43,531
	92,287	153,693
Less: allowance for expected credit loss	(796)	(9,983)
	91,491	143,710

14. Financial Assets at Fair Value through Profit or Loss

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Listed securities held for trading:		
– Equity securities listed in Shenzhen stock exchange	502	880

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15. Trade Payables

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

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Current to 30 days	65,238	71,672
31 to 60 days	16,247	25,676
61 to 90 days	9,608	20,187
Over 90 days	153,746	128,952
	244,839	246,487

16. Bank and Other Borrowings

	At 30 June 2022 RMB'000 (Unaudited)	At 31 December 2021 RMB'000 (Audited)
Secured:		
Bank loans	170,493	168,784
Other borrowings	92,394	68,638
	262,887	237,422
Unsecured:		
Bank loans	5,612	5,612
Other borrowings	113,250	131,327
	118,862	136,939
Total bank and other borrowings	381,749	374,361
Bank borrowings are repayable as follows:		
On demand or within one year	268,498	264,035
More than one year but not exceeding two years	-	-
More than two years but not exceeding five years	113,251	110,326
	381,749	374,361

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17. Share Capital

	Number of shares '000	Amount HK\$'000	Amount RMB'000
Balance as at 31 December 2021	6,767,636	676,763	556,286
Balance as at 30 June 2022	6,767,636	676,763	556,286

18. Reserves

	Statutory		Reorganisation reserve	Enterprise expansion		Capital		Exchange reserve	Total
	Share premium RMB'000	reserve fund RMB'000		fund RMB'000	Others RMB'000	redemption reserve RMB'000	RMB'000		
Balance as at 1 January 2022	1,482,219	43,918	4,641	2,756	(984)	1,545	(14,903)	1,519,192	
Other comprehensive loss for the period	-	-	-	-	-	-	(1,288)	(1,288)	
Change in ownership interest in subsidiaries	-	-	-	-	(122)	-	-	(122)	
Balance as at 30 June 2022	1,482,219	43,918	4,641	2,756	(1,106)	1,545	(16,191)	1,517,782	

	Statutory		Reorganisation reserve	Enterprise expansion		Capital		Exchange reserve	Total
	Share premium RMB'000	reserve fund RMB'000		fund RMB'000	Others RMB'000	redemption reserve RMB'000	RMB'000		
Balance as at 1 January 2021	1,482,219	46,464	4,641	2,756	8,508	1,545	(16,786)	1,529,347	
Other comprehensive loss for the period	-	-	-	-	(9,492)	-	2,811	(6,681)	
Balance as at 30 June 2021	1,482,219	46,464	4,641	2,756	(984)	1,545	(13,975)	1,522,666	

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19. Commitments

(a) Operating lease arrangements

As lessor

As at 30 June 2022 and 31 December 2021, the Group leased its investment properties under operating leases.

As at the end of the reporting period, the total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Within one year	1,271	794
In the second year	794	794
In the third year	-	397
	2,065	1,985

(b) Capital commitment

	At 30 June 2022 RMB'000	At 31 December 2021 RMB'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided	1,470	1,470

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

New Focus Auto Tech Holdings Limited (the “**Company**”), together with its subsidiaries (the “**Group**”) focuses on the research and development, manufacturing and sales of automotive electronic products, as well as the construction and development of automobile dealership networks. The automotive electronic products that the Group produces mainly include inverters, chargers, multi-functional power packs and cooling and heating boxes, which are mainly sold to the markets of the People’s Republic of China (the “**PRC**” or “**China**”), North America and Europe. The Group’s automobile dealership and services business is operated mainly in the Inner Mongolia Autonomous Region for automobile sales, automotive after-sales services, as well as the distribution of car insurance products and automobile financial products.

Results Highlights

Revenue

For the six months ended 30 June 2022 (the “**Period**”), the consolidated revenue of the Group was approximately RMB247,789,000 (the consolidated revenue from continuing operations for the corresponding period of 2021: RMB377,930,000), representing a decrease of approximately 34.44%.

The consolidated revenue of the manufacturing business of the Group was approximately RMB185,274,000 (corresponding period of 2021: RMB239,294,000), representing a decrease of approximately 22.57%, which was mainly attributable to the relatively long period of production suspension at the Group’s manufacturing plant in Shanghai during the Period as a result of the impact of the local COVID-19 pandemic prevention policy.

The consolidated revenue from the Group’s automobile dealership and services business amounted to approximately RMB62,515,000 (corresponding period of 2021: RMB138,636,000), representing a decrease of approximately 54.91%, which was mainly attributable to two reasons: first, the Group’s automobile dealer stores in Hohhot, China suspended operations for a long time during the Period due to the impact of the local COVID-19 pandemic prevention policies; second, the Group’s automobile dealership and services business has adjusted the structure of its automobile brands.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit and gross profit margin

The consolidated gross profit of the Group for the Period was approximately RMB34,031,000 (the consolidated gross profit from continuing operations for the corresponding period of 2021: RMB48,795,000), representing a decrease of approximately 30.26%. The gross profit margin increased from 12.91% for the corresponding period of 2021 to 13.73%.

The gross profit of the Group's manufacturing business was approximately RMB28,846,000 (corresponding period of 2021: RMB40,557,000), representing a decrease of approximately 28.88%. The gross profit margin decreased from approximately 16.95% for the corresponding period of 2021 to approximately 15.57%. The decrease in gross profit was mainly attributable to the decrease in revenue for the Period as compared with the corresponding period of 2021. The decrease in gross profit margin was primarily attributable to the inclusion of direct staff costs and manufacturing depreciation charges incurred by the production plants located in Shanghai during production suspension under the pandemic for the Period into production costs, whilst revenue decreased, which resulted in lower gross profit margin.

The gross profit of the Group's automobile dealership and services business was approximately RMB5,185,000 (corresponding period of 2021: RMB8,238,000). The gross profit margin increased from approximately 5.94% for the corresponding period of 2021 to approximately 8.29%. The decrease in gross profit was mainly attributable to the decrease in revenue for the Period as compared to that for the corresponding period of 2021. The increase in gross profit margin was mainly attributable to the adjustment of product structure for the Period with an increase in the proportion of sales of products with higher gross profit margin.

Expenses

The distribution costs for the Period were approximately RMB21,147,000 (distribution costs from continuing operations for the corresponding period of 2021: RMB29,426,000), representing a decrease of approximately 28.13%, which was mainly attributable to the decrease in wages and bonuses for sales personnel, and other sales expenses as a result of the decline in consolidated revenue for the Period.

The administrative expenses for the Period were approximately RMB27,844,000 (administrative expenses from continuing operations for the corresponding period of 2021: RMB33,395,000), representing a decrease of approximately 16.62%, which was mainly due to the Group's control of the number of management personnel and the reduction of administrative expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

The reversal of net allowance for expected credit losses on trade receivables, deposits, prepayments and other receivables for the Period was approximately RMB696,000 (net allowance for expected credit losses from continuing operations for the corresponding period of 2021: RMB3,703,000).

Operating loss

The operating loss of the Group for the Period was approximately RMB2,407,000 (operating loss from continuing operations for the corresponding period of 2021: RMB17,125,000). The decrease in loss was primarily due to the increase in the Group's other revenue and gains or losses, net of approximately RMB11,253,000 as compared to that of the corresponding period of 2021, including the difference between the exchange loss of approximately RMB2,769,000 for the corresponding period of 2021 and the exchange gain of approximately RMB10,007,000 for the Period. In addition, as compared to the corresponding period of 2021, distribution costs decreased by approximately RMB8,279,000 and administrative expenses decreased by approximately RMB5,551,000.

Finance costs

Finance costs for the Period was approximately RMB14,966,000 (finance costs from continuing operations for the corresponding period of 2021: RMB16,364,000), representing a decrease of approximately 8.54%. Such decrease was primarily attributable to the decrease in interest expenses on lease liabilities for the Period as compared to that of the corresponding period of 2021 because the Group shortened or terminated leases after having negotiated with certain lessors during the second half of 2021.

Taxation

Income tax expenses for the Period was approximately RMB796,000 (income tax expenses from continuing operations for the corresponding period of 2021: RMB1,301,000).

Loss attributable to equity shareholders of the Company

The loss attributable to equity shareholders of the Company from continuing operations during the Period was approximately RMB17,824,000 (corresponding period of 2021: RMB34,558,000). The decrease in loss was mainly due to the increase in other revenue and gains or losses, net and the decrease in various expenditures during the Period.

The loss attributable to equity shareholders of the Company from continuing and discontinued operations during the Period was approximately RMB17,824,000 (corresponding period of 2021: RMB37,136,000). The loss per share during the Period was approximately RMB0.263 cents (corresponding period of 2021: loss per share of RMB0.549 cents).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Position and Liquidity

The Group continued to maintain a stable financial position and the liquidity of assets of the Group remained healthy. The Group had a net cash inflow from operating activities of approximately RMB57,858,000 during the Period (corresponding period of 2021: an outflow of RMB16,420,000).

The Group's net current assets were approximately RMB158,616,000 as at 30 June 2022 (31 December 2021: RMB172,736,000), with a current ratio of 1.21 (31 December 2021: 1.24).

Gearing ratio (calculated by dividing total liabilities by total assets) was approximately 83.19% as at 30 June 2022 (31 December 2021: 81.35%).

As at 30 June 2022, the total bank and other borrowings of the Group were approximately RMB381,749,000 (31 December 2021: RMB374,361,000), of which approximately 31.64% were made in United States Dollars ("**USD**") and approximately 68.36% were made in Renminbi ("**RMB**"). All of the borrowings were repayable at fixed interest rates, of which approximately RMB268,498,000 was repayable within one year, and approximately RMB113,251,000 was repayable after one year but within five years.

The operation and capital expenses of the Group were financed by the cash flow generated from its business, internal liquidity and the financing agreements entered into with banks. The Group maintains strong and sufficient operating cash flow, bank deposits and banking facilities to finance its daily operations.

Capital Structure

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy position of liquidity during the Period. To manage liquidity risks, the board (the "**Board**") of directors (the "**Director(s)**") of the Company closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Approximately 75% of the revenue of the Group's manufacturing business was generated from the export of its products which was settled in USD, while other businesses were all in China. As such, the Group's cash and cash equivalents and borrowings are denominated in RMB and USD.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2022, the total assets of the Group was approximately RMB1,044,116,000 (31 December 2021: RMB1,042,509,000), which included: (1) share capital of approximately RMB556,286,000 (31 December 2021: RMB556,286,000); (2) reserves of approximately RMB(380,806,000) (31 December 2021: RMB(361,825,000)); and (3) liabilities of approximately RMB868,636,000 (31 December 2021: RMB848,048,000).

Financial Guarantees and Pledge of Assets

As at 30 June 2022, the net book values of inventory, investment properties, property, plant and equipment, and right-of-use assets pledged as security for the Group's bank and other borrowings totalled to approximately RMB123,945,000 (31 December 2021: RMB98,496,000).

Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

The Group did not have any material acquisitions or disposal of subsidiaries, associates and joint ventures during the Period.

Significant Investments

The Group had no significant investments during the Period. The Group had no specific plans for material future investments or acquisitions of businesses as at 30 June 2022.

Exchange Risks

The Group's automobile dealership and service business operates in China, with the settlement currency being RMB. Hence, there is no exchange risk.

Approximately 75% of the turnover from the Group's manufacturing business was generated from the export of its products which was settled in USD. The raw materials used to produce such products were purchased in RMB. Therefore, the depreciation of USD against RMB would normally have an adverse effect on the profitability of the Group's manufacturing business. The Group managed its exposure to USD foreign currency risks by making USD borrowings to mitigate against such exchange risks. As at 30 June 2022, the amount of the Group's USD borrowings was approximately USD18,001,000 (31 December 2021: USD18,001,000).

Contingent Liabilities

As at 30 June 2022, the Group had no significant contingent liabilities (30 June 2021: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Employees and Remuneration Policy

As at 30 June 2022, the Group employed a total of 889 full-time employees (30 June 2021: 1,017), of which 192 (30 June 2021: 215) were managerial staff. The Group's remuneration policies are formulated to attract talent and retain quality staff. The remuneration package for the Group's employees includes wages, rewards (such as performance-based bonuses) and allowances. The Group also provides social security insurance and benefits to its employees, and formulates and implements its share option scheme as a long-term incentive scheme of the Group. Details of the share option scheme have been disclosed in the section headed "Other Information" of this interim report. The Group emphasises the importance of staff development and provides relevant training programs on an ongoing basis with reference to its strategic objectives and the performance of its staff.

Dividends

The Board does not recommend payment of an interim dividend for the Period (corresponding period of 2021: Nil).

Industrial Development and Business Progress

According to the latest production and sales figures of the automobile industry released by the China Association of Automobile Manufacturers, the sales volume of automobiles in China amounted to approximately 12,057,000 during the Period, representing a year-on-year decrease of approximately 6.6%, of which the sales volume of passenger vehicles amounted to approximately 10,355,000, representing a year-on-year increase of approximately 3.4%. Due to the spread and local outbreaks of the COVID-19 pandemic across China in the first half of 2022, enterprises encountered severe difficulties in maintaining normal production and operations. With the alleviation of the COVID-19 pandemic, the supply chain and offline channel sales of the automobile industry are gradually on the road to recovery, while the automobile industry is still under the triple pressures of production and supply shocks, sluggish consumer demand and weakened market expectations.

Automobile Dealership and Services Business of the Group

The Group's automobile dealership and services business network is located in the Inner Mongolia Autonomous Region, and its main businesses include automobile sales and after-sales services, as well as the distribution of car insurance products and financial products.

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2022, affected by the local epidemic in the Inner Mongolia region, a majority of consumers took a wait-and-see attitude on non-essential automobile consumption, leading to a significant negative impact on the sales of new vehicles. Due to the above reasons, the Group recorded a year-on-year plunge in business revenue from its automobile dealer shops in the first half of 2022, but it still needed to pay fixed expenses such as rent, employees' salaries and social insurance contributions.

The Group mainly implemented the following operating strategies for the automobile dealership and services business in the first half of 2022:

Firstly, we leased out idle shops, merged and set up comprehensive automobile malls and maintenance plants.

Secondly, we actively applied for the launch of our automobile financial business at certain shops.

Thirdly, we enhanced the operation of our derivative business such as the second-hand automobile dealership, car licensing and annual inspection agency.

Fourthly, we strengthened the management of our insurance renewal business for existing customers, and expanded our after-sales service business.

Fifthly, we explored sales channels such as government procurement and bulk purchases for large enterprises.

To enhance its operating results, the Group plans to adopt the following operating strategies in the second half of 2022:

Firstly, we will align with the trend of national support for the development of new energy vehicles by introducing new energy vehicle brands and resume the dealership of the automotive brands with market potential so as to continue to optimise the structure of automotive brands under the Group's dealership.

Secondly, we will adhere to the service concept of "customer-focused", broaden the service scope and improve customer loyalty.

Thirdly, we will establish a phased incentive mechanism to improve the work enthusiasm of the management team and promote operation efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS

Manufacturing Business of the Group

In the first half of 2022, the Group's manufacturing business was severely hit by the COVID-19 pandemic. In particular, economic activities such as production and sales (including exports) were greatly restricted during the citywide static management period of Shanghai in the second quarter of 2022. The Group's production base of its manufacturing business in Shanghai was shut down for two months, resulting in the revenue from exports of the manufacturing business during the Period to decline by more than 20% compared with the corresponding period of last year. In terms of the research and development of new products, the research and development of new high-power inverters and energy storage products progressed smoothly. Well-known international customers were delivered the first batch of new products after trial production. The follow-up research and development of the series of products are progressing steadily. Although the construction progress of the Vietnam factory has been hindered by the COVID-19 pandemic, we will still seek to send our engineering and technical management personnel to Vietnam for further preparations.

Due to the impeded logistics caused by the resurgence of the COVID-19 pandemic in the first half of 2022, coupled with factors such as shrinking market demand in the industry and skyrocketing oil prices, market demand for pre-installation commercial vehicles has significantly declined, resulting in a decrease in revenue from the domestic trade business. Currently, the research and development of new products and the procurement of new domestic customers for the manufacturing business are being carried out smoothly, and the market is anticipating recovery. Due to the impact of depreciation of the RMB against the USD, the raging inflation in the market of the United States of America and the drastic fluctuations in domestic bulk material prices, it is expected that the Group's existing foreign customers may cancel their orders in the second half of 2022. We will actively procure new customers and research and develop new products to improve the performance of the manufacturing business.

Prospects

The Group's principal businesses have a vast market with much room for growth. The Group will continue to strengthen its management, improve its business operations and profitability to enhance the operating results of all its businesses as soon as possible.

OTHER INFORMATION

Subscription under specific mandate

On 28 May 2021, the Company entered into a subscription agreement with Daodu (Hong Kong) Holding Limited (the “**Subscriber**”), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has agreed to subscribe, a maximum of 11,252,732,911 subscription shares of the Company at the subscription price of HK\$0.059 per subscription share (the “**Subscription**”). The maximum aggregate nominal value of the subscription shares is HK\$1,125,273,291.1. The closing price of the Company’s ordinary shares as quoted on the Stock Exchange on 28 May 2021, being the date of the subscription agreement, was HK\$0.085 per share.

The maximum gross proceeds to be raised from the Subscription is HK\$663,911,241.749, and the maximum net proceeds to be raised from the Subscription would amount to approximately HK\$662 million (i.e net issue price of approximately HK\$0.059 per share), of which:

- (i) approximately HK\$480 million will be applied for enhancement of the Company’s manufacturing capability:
 - (a) as to approximately HK\$70 million for purchase of land use rights in Economic Development Zone, Laixi City, Qingdao City, Shandong Province for construction of new production plants;
 - (b) as to approximately HK\$360 million for the construction of new production plants and other supporting facilities including warehouse, research and development center, office building, staff dormitory and showroom on the lands through the above purchase of land use rights in Shandong Province to expand the Group’s production capacity and technology capability for its manufacturing business; and
 - (c) as to approximately HK\$50 million for purchase of related production equipment in the PRC for production of automotive parts for new energy vehicle, mainly including inverters and multifunctional mobile power supplies, to broaden the Group’s product portfolio and pursue opportunities to expand its exposure in the new energy vehicle industry;

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- (ii) approximately HK\$120 million will be applied for repayment of the outstanding bank loans of the Group; and

- (iii) approximately HK\$62 million will be applied as general working capital of the Group:
 - (a) as to approximately HK\$44 million for the procurement costs of the Group's manufacturing business and automobile dealership and service business;

 - (b) as to approximately HK\$10 million for the remuneration of the Group's employees; and

 - (c) as to approximately HK\$8 million for the Group's other daily expenses (including professional fees payable to the Group's legal advisers and auditors).

The conditions precedent to the Subscription have been fulfilled on 26 November 2021. To ensure the minimum public float of the Company's issued share capital as enlarged by the Subscription will be maintained in accordance with the Listing Rules, the date of completion has been extended to a date on or before 30 September 2022 (or such other later date as may be mutually agreed by the parties in writing). For details of the Subscription, please refer to the announcements of the Company dated 28 May 2021, 13 September 2021, 14 December 2021, 28 February 2022, 2 May 2022, 17 May 2022 and 8 July 2022, and the circular of the Company dated 29 July 2021, respectively.

OTHER INFORMATION

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As of 30 June 2022, to the best knowledge of the Directors, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required to be recorded in the register maintained by the Company under Section 352 of the SFO, or required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) and the Model Code (the "Model Code") for Securities Transactions by Directors of Listed Issuers under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company

So far as the Directors are aware, as at 30 June 2022, the interests and short positions of the following persons, other than the Directors and chief executives of the Company, in the shares and underlying shares of the Company, as notified to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which are required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Name of substantial shareholder	Capacity/ Nature of interest	Number of shares interested (other than under equity derivatives) (Note 1)	Number of shares interested under equity derivatives (Note 1)	Total number of shares and underlying shares under equity derivatives (Note 1)	Approximate percentage of issued shares (Note 2)
Subscriber (Note 3)	Beneficial owner	11,252,732,911 (L)	-	11,252,732,911 (L)	166.27%

OTHER INFORMATION

Name of substantial shareholder	Capacity/ Nature of interest	Number of shares interested (other than under equity derivatives) (Note 1)	Number of shares interested under equity derivatives (Note 1)	Total number of shares and underlying shares under equity derivatives (Note 1)	Approximate percentage of issued shares (Note 2)
Shenzhen Daodu Industrial Limited Company* (深圳道度實業有限公司) (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
Qingdao Guorui Chunxi Industrial Limited Company* (青島國瑞春熙實業有限責任公司) (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
Qingdao Guorui Xin Fukesi Investment Center, L.P.* (青島國瑞新福克斯投資中心(有限合夥)) (the "Fund") (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
Chunxi Asset Management (Beijing) Co., Ltd.* (春熙資產管理(北京)有限公司) ("Chunxi AM") (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
Luo Xiaoman (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
Qingdao Guorui Hengda Investment Development Co., Ltd.* (青島國瑞恒達投資開發有限公司) ("Guorui Hengda") (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%

OTHER INFORMATION

Name of substantial shareholder	Capacity/ Nature of interest	Number of shares interested (other than under equity derivatives) (Note 1)	Number of shares interested under equity derivatives (Note 1)	Total number of shares and underlying shares under equity derivatives (Note 1)	Approximate percentage of issued shares (Note 2)
Qingdao Changyang Investment Development Limited Company* (青島昌陽投資開發有限公司) (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
Laixi State-owned Assets Investment Center* (萊西市國有資產投資中心) (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
Qingdao Lingdu Venture Capital Management Co., Ltd.* (青島零度創業投資管理有限公司) (the "General Partner") (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
Wuhan Zero Innovation Venture Capital Management Co., Ltd.* (武漢零度創新創業投資管理有限公司) (the "Investment Manager") (Note 3)	Investment Manager	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
Wuhan Lingdu Capital Investment and Management Co., Ltd.* (武漢零度資本投資管理有限公司) (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%

OTHER INFORMATION

Name of substantial shareholder	Capacity/ Nature of interest	Number of shares interested (other than under equity derivatives) (Note 1)	Number of shares interested under equity derivatives (Note 1)	Total number of shares and underlying shares under equity derivatives (Note 1)	Approximate percentage of issued shares (Note 2)
Wuhan Optics Valley Union Group Company Limited* (武漢光谷聯合集團有限公司) ("OVU") (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
Optics Valley Union Holding Limited Company* (光谷聯合控股有限公司) (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
China Electronics Optics Valley Union Company Limited (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
AAA Holdings Limited (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
China Electronics Optics Valley Union Holding Company Limited ("CEOVU") (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
Huang Liping (Note 3)	Interest in a controlled corporation	11,252,732,911 (L)	–	11,252,732,911 (L)	166.27%
CDH Fast Two Limited	Beneficial owner	2,889,580,226 (L)	–	2,889,580,226 (L)	42.70%
CDH Fast One Limited (Note 4)	Interest in a controlled corporation	2,889,580,226 (L)	–	2,889,580,226 (L)	42.70%

OTHER INFORMATION

Name of substantial shareholder	Capacity/ Nature of interest	Number of shares interested (other than under equity derivatives) <i>(Note 1)</i>	Number of shares interested under equity derivatives <i>(Note 1)</i>	Total number of shares and underlying shares under equity derivatives <i>(Note 1)</i>	Approximate percentage of issued shares <i>(Note 2)</i>
Fast Point Limited <i>(Note 4)</i>	Interest in a controlled corporation	2,889,580,226 (L)	–	2,889,580,226 (L)	42.70%
CDH Fund IV, L.P. <i>(Note 4)</i>	Interest in a controlled corporation	2,889,580,226 (L)	–	2,889,580,226 (L)	42.70%
CDV IV Holdings Company Limited <i>(Note 4)</i>	Interest in a controlled corporation	2,889,580,226 (L)	–	2,889,580,226 (L)	42.70%
China Diamond Holdings IV, L.P. <i>(Note 4)</i>	Interest in a controlled corporation	2,889,580,226 (L)	–	2,889,580,226 (L)	42.70%
China Diamond Holdings Company Limited <i>(Note 4)</i>	Interest in a controlled corporation	2,889,580,226 (L)	–	2,889,580,226 (L)	42.70%
Pan Tao (the "Chargee")	Person having a security interest in shares <i>(Note 5)</i>	2,889,580,226 (L)	–	2,889,580,226 (L)	42.70%
Fame Mountain Limited	Beneficial owner	1,804,761,905 (L)	–	1,804,761,905 (L)	26.67%
Mo Keung <i>(Note 6)</i>	Interest in a controlled corporation	1,804,761,905 (L)	–	1,804,761,905 (L)	26.67%

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Notes:

1. The letter "L" denotes a long position in the shares.
2. The percentage represents the number of shares interested divided by the total number of issued shares of the Company as at 30 June 2022 of 6,767,636,215.
3. Each of (i) the Subscriber; (ii) Shenzhen Daodu Industrial Limited Company* (深圳道度實業有限公司) (as the sole shareholder of the Subscriber); (iii) Qingdao Guorui Chunxi Industrial Limited Company* (青島國瑞春熙實業有限責任公司) (as the sole shareholder of Shenzhen Daodu Industrial Limited Company* (深圳道度實業有限公司)); (iv) the Fund (which directly owns 99.11% of Shenzhen Daodu Industrial Limited Company* (深圳道度實業有限公司)); (v) Chunxi AM (which directly owns 50.92% of the Fund); (vi) Luo Xiaoman (who directly owns 82.50% of Chunxi AM); (vii) Guorui Hengda (which directly owns 48.92% of the Fund); (viii) Qingdao Changyang Investment Development Limited Company* (青島昌陽投資開發有限公司) (as the sole shareholder of Guorui Hengda); (ix) Laixi State-owned Assets Investment Center* (萊西市國有資產投資中心) (as the sole shareholder of Qingdao Changyang Investment Development Limited Company* (青島昌陽投資開發有限公司)); (x) the General Partner (as the general partner of the Fund); (xi) the Investment Manager (as the investment manager of the Fund); (xii) Wuhan Lingdu Capital Investment and Management Co., Ltd.* (武漢零度資本投資管理有限公司) (as the sole shareholder of the General Partner); (xiii) OVU (which directly owns 45% of Wuhan Lingdu Capital Investment and Management Co., Ltd.* (武漢零度資本投資管理有限公司)); (xiv) Optics Valley Union Holding Limited Company* (光谷聯合控股有限公司) (as the sole shareholder of OVU); (xv) China Electronics Optics Valley Union Company Limited (as the sole shareholder of Optics Valley Union Holding Limited Company* (光谷聯合控股有限公司)); (xvi) AAA Holdings Limited (as the sole shareholder of China Electronics Optics Valley Union Company Limited); (xvii) CEOVU (as the sole shareholder of AAA Holdings Limited); and (xviii) Huang Liping (who owns 25.14% of CEOVU and ultimately and beneficially owns 80% and 40% of two limited partnerships which directly owns 30% and 25% of Wuhan Lingdu Capital Investment and Management Co., Ltd.* (武漢零度資本投資管理有限公司), respectively), deemed to be interested in the subscription shares to be issued to the Subscriber upon completion of the subscription pursuant to the terms and conditions of the subscription agreement entered into between the Company and the Subscriber dated 28 May 2021 (a summary of the terms and conditions of which is provided under the section headed "Conditions of the Subscription" under "Letter from the Board" of the circular of the Company dated 29 July 2021).
4. Each of CDH Fast One Limited (as the sole shareholder of CDH Fast Two Limited); Fast Point Limited (as the sole shareholder of CDH Fast One Limited); CDH Fund IV, L.P. (as the sole shareholder of Fast Point Limited); CDH IV Holdings Company Limited (as the general partner of CDH Fund IV, L.P.); China Diamond Holdings IV, L.P. (as the controlling shareholder of CDH IV Holdings Company Limited); and China Diamond Holdings Company Limited (as the general partner of China Diamond Holdings IV, L.P.) is deemed to be indirectly interested in the shares of the Company under the SFO.

OTHER INFORMATION

5. On 28 September 2021, CDH Fast Two Limited executed a share charge in favour of the Chargee, pursuant to which CDH Fast Two Limited has charged by way of first fixed charge 2,889,580,226 ordinary shares of the Company, representing approximately 42.70% of the issued share capital of the Company as at the date of this interim report, as security for a loan (the “**Loan**”) in the amount of US\$3,200,000 provided by the Chargee to the Company under a loan agreement (the “**Loan Agreement**”) and certain indebtedness in the sum of US\$11,506,144.12 and RMB43,910,769.87 owed by the Company to the Chargee. The Loan has a term of three months from its utilisation date and has been extended to 25 May 2022 pursuant to the terms of the Loan Agreement, and yet to be further extended. Details of the Share Charge were disclosed in the announcement of the Company dated 28 September 2021.
 6. Mr. Mo Keung (as the sole director and sole shareholder of Fame Mountain Limited) is deemed to be indirectly interested in shares of the Company under the SFO.
- * The English names are transliterations of their respective *Chinese names* which have not been registered.

Save as disclosed above, the Directors are not aware of any person, other than the Directors or chief executives of the Company, who had an interest or short position in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO as at 30 June 2022.

Share Option Scheme

The Company adopted a new share option scheme (the “**Scheme**”) pursuant to a shareholders’ resolution passed on 25 June 2014 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operation. Eligible participants of the Scheme include the Directors, employees, suppliers, customers and business or strategic alliance partners of the Group. The Scheme became effective on 25 June 2014 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. A summary of the principal terms of the Scheme was included in the circular dated 30 April 2014 of the Company.

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The total number of shares available for issue under the Scheme is 376,116,501, representing approximately 10% of the total issued share capital of the Company as at the date of approval of the Scheme. As at 30 June 2022, no options granted by the Company under the Scheme remained outstanding; and the Company did not grant any options under the Scheme during the Period. The total number of shares available for issue under the Scheme was 363,076,327, representing approximately 5.36% of the total issued share capital of the Company as 30 June 2022.

Purchase, Sale and Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the Period.

Changes in Information of Directors and Chief Executives of the Company

Pursuant to Rule 13.51(B)(1) of the Listing Rules, the changes in information of Directors and chief executives of the Company subsequent to the date of the 2021 Annual Report are set out below:

Name	Details of Changes
Mr. Zhang Xiaoya	Appointed as independent director of Anhui Anfu Battery Technology Co., Ltd. (安徽安孚電池科技股份有限公司), a company listed on the Shanghai Stock Exchange (Stock code: 603031), effective from 10 March 2022.

Corporate Governance

In the opinion of the Directors, the Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix 14 of the Listing Rules during the Period.

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Securities Transactions by Directors

The Company adopted the Model Code 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. With specific enquiries made to all the Directors by the Company, all the Directors confirmed that they had complied with the requirements set out in the Model Code during the Period.

Audit Committee

The audit committee of the Company (the “**Audit Committee**”) has reviewed with management the accounting standards and practice guidelines adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters, including the unaudited consolidated interim financial statements of the Group for the Period. The accounting information in this interim report has not been audited but has been reviewed by the Audit Committee.

By order of the Board

New Focus Auto Tech Holdings Limited

Tong Fei

Executive Director

Hong Kong, 30 August 2022