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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the "**Board**") of directors (the "**Director(s)**") of New Focus Auto Tech Holdings Limited (the "**Company**") hereby presents the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2025 (the "**Period**"), together with the unaudited comparative figures for the corresponding period of 2024, as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

(Expressed in Renminbi)

		Six months ended 30 June	
		2025	2024
	Note	***RMB'000***	*RMB'000*
		(Unaudited)	*(Unaudited)*
Revenue	*4*	**270,144**	237,593
Cost of sales and services		**(228,078)**	(194,360)
Gross profit		**42,066**	43,233
Other income	*5*	**1,094**	2,251
Other gains or losses, net	*6*	**(15,823)**	1,291
Allowance for expected credit losses on trade receivables and other receivables, net		**(2,258)**	(1,221)
Distribution costs		**(15,931)**	(16,537)
Administrative expenses		**(51,051)**	(32,563)
Share of results of associates		**(2,786)**	(1)
Finance costs	*7*	**(10,338)**	(10,503)
Loss before taxation		**(55,027)**	(14,050)
Income tax expense	*8*	**(353)**	(2,074)
Loss for the period		**(55,380)**	(16,124)
Other comprehensive income/(loss) for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**445**	1,285
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		**(68)**	(13,056)
Other comprehensive income/(loss) for the period, net of tax		**377**	(11,771)
Total comprehensive loss for the period		**(55,003)**	(27,895)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

For the six months ended 30 June 2025

(Expressed in Renminbi)

		Six months ended 30 June	
		2025	2024
	Note	***RMB'000***	*RMB'000*
		(Unaudited)	*(Unaudited)*
Loss for the period attributable to			
– Equity shareholders of the Company		**(54,027)**	(15,917)
– Non-controlling interests		**(1,353)**	(207)
		(55,380)	(16,124)
Total comprehensive loss attributable to			
– Equity shareholders of the Company		**(53,650)**	(27,688)
– Non-controlling interests		**(1,353)**	(207)
		(55,003)	(27,895)
Loss per share	*9*		
Basic and diluted *(RMB cents)*		**(0.314)**	(0.092)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

(Expressed in Renminbi)

	Note	**At 30 June 2025** ***RMB'000*** ***(Unaudited)***	At 31 December 2024 *RMB'000* *(Audited)*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**248,403**	249,558
Right-of-use assets		**33,308**	35,835
Investment properties		**36,923**	36,923
Prepayment for property, plant and equipment		**325,766**	292,136
Deferred tax assets		**13,034**	13,034
Interest in associates		**43,300**	41,286
Financial assets at fair value through profit or loss		**55,312**	75,093
Financial assets at fair value through other comprehensive income		**111,232**	111,300
		867,278	855,165
Current assets			
Inventories		**120,589**	111,617
Trade receivables	*11*	**76,577**	79,917
Deposits, prepayments and other receivables		**368,384**	378,375
Cash and cash equivalents		**41,718**	89,358
		607,268	659,267
Current liabilities			
Trade payables	*12*	**254,596**	231,132
Accruals and other payables		**204,414**	200,965
Contract liabilities		**24,178**	23,087
Lease liabilities		**2,530**	2,998
Tax payable		**9,191**	15,977
Bank and other borrowings		**244,516**	248,479
		739,425	722,638
Net current assets		**(132,157)**	(63,371)
Total assets less current liabilities		**735,121**	791,794

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ***(Continued)***
At 30 June 2025
(Expressed in Renminbi)

	Note	**At 30 June 2025** ***RMB'000*** ***(Unaudited)***	At 31 December 2024 *RMB'000* *(Audited)*
Non-current liabilities			
Lease liabilities		**2,486**	3,300
Deferred tax liabilities		**9,481**	9,481
Deferred income		**66,399**	66,399
Bank and other borrowings		**55,806**	56,662
		134,172	135,842
Net Assets		**600,949**	655,952
CAPITAL AND RESERVES			
Share capital		**1,490,706**	1,490,706
Reserves		**(1,044,253)**	(990,603)
Total equity attributable to equity shareholders of the Company		**446,453**	500,103
Non-controlling interests		**154,496**	155,849
Total Equity		**600,949**	655,952

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025
(Expressed in Renminbi)

	Attributable to equity shareholders of the Company					
	Share capital *RMB'000*	Share premium and other reserve *RMB'000*	Accumulated losses *RMB'000*	Sub-total *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2025	**1,490,706**	**1,113,533**	**(2,104,136)**	**500,103**	**155,849**	**655,952**
Loss for the period	**–**	**–**	**(54,027)**	**(54,027)**	**(1,353)**	**(55,380)**
Other comprehensive income for the period	**–**	**377**	**–**	**377**	**–**	**377**
Total comprehensive income/(loss) for the period	**–**	**377**	**(54,027)**	**(53,650)**	**(1,353)**	**(55,003)**
Balance at 30 June 2025	**1,490,706**	**1,113,910**	**(2,158,163)**	**446,453**	**154,496**	**600,949**
Balance at 1 January 2024	1,490,706	1,138,850	(2,034,178)	595,378	114,768	710,146
Loss for the period	–	–	(15,917)	(15,917)	(207)	(16,124)
Other comprehensive loss for the period	–	(11,771)	–	(11,771)	–	(11,771)
Total comprehensive loss for the period	–	(11,771)	(15,917)	(27,688)	(207)	(27,895)
Capital injection from non-controlling shareholders	–	–	–	–	45,000	45,000
Balance at 30 June 2024	1,490,706	1,127,079	(2,050,095)	567,690	159,561	727,251

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2025
(Expressed in Renminbi)

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Operating activities		
Cash generated from operations	**14,472**	7,952
Income tax paid	**(6,976)**	(2,034)
Net cash generated from operating activities	**7,496**	5,918
Investing activities		
Purchase of financial assets at fair value through profit or loss	**–**	(55,000)
Capital injection to associates	**(5,000)**	(39,800)
Purchase of property, plant and equipment	**(6,745)**	(28,384)
Prepayment paid for property, plant and equipment	**(33,630)**	(11,400)
Proceeds from sale of financial assets at fair value through profit or loss	**–**	60,000
Loans repaid by third parties	**–**	4,774
Interest received	**–**	154
Other cash flows arising from investing activities	**193**	83
Net cash used in investing activities	**(45,182)**	(69,573)
Financing activities		
Capital injection from non-controlling interests	**–**	45,000
Net (decrease)/increase in bank and other borrowings	**(3,865)**	4,536
Proceeds from related party borrowings	**–**	13,000
Payment of lease liabilities	**(1,393)**	(1,542)
Interest paid	**(4,696)**	(3,365)
Net cash (used in)/generated from financing activities	**(9,954)**	57,629
Net decrease in cash and cash equivalents	**(47,640)**	(6,026)
Cash and cash equivalents, beginning of period	**89,358**	78,619
Cash and cash equivalents, end of period	**41,718**	72,593

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**") 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, trading of automobile accessories and operating the 4S dealership stores and related business, and the research and development, sales and provision of integrated solutions for hydrogen fuel cell. The Company and its subsidiaries are collectively referred to as the Group.

The directors of the Company (the "**Directors**") regard Daodu (Hong Kong) Holding Limited ("**Daodu**"), a company incorporated in Hong Kong with limited liability as the immediate holding company, and Qingdao Guorui Xin Fukesi Investment Center, L.P., a limited partnership established in the PRC, 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 2025 have 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 29 August 2025.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 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 2025 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 2024 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 2024 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 31 March 2025.

3. CHANGES IN ACCOUNTING POLICIES

The IASB has issued several amendments to IFRSs that are first effective for the 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 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	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Recognised at a point in time:		
Sale of goods	**265,081**	231,596
Service income	**5,063**	5,997
	270,144	237,593

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.

The Group operates in three reportable segments: (i) the manufacture and sale of automobile accessories (the "**Manufacturing and Trading Business**"); (ii) the operation of the 4S dealership stores and related business (the "**Automobile Dealership and Services Business**"); and (iii) the research and development, sales and provision of integrated solutions for hydrogen fuel cell (the "**Hydrogen Fuel Cell Business**").

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 that is used by the chief operating decision-makers for resources allocation and assessment of segment performance.

4. **REVENUE AND SEGMENT INFORMATION** *(Continued)*

(a) **Reportable segments** *(Continued)*

Set out below is an analysis of segment information:

	The Manufacturing and Trading Business *RMB'000* *(Unaudited)*	**The Automobile Dealership and Services Business** *RMB'000* *(Unaudited)*	**The Hydrogen Fuel Cell Business** *RMB'000* *(Unaudited)*	**Total** *RMB'000* *(Unaudited)*
For the six months ended 30 June 2025				
Segment revenue	**200,102**	**70,042**	**–**	**270,144**
Reportable segment results	**(3,299)**	**(3,967)**	**(5,196)**	**(12,462)**
Interest income	**21**	**–**	**–**	**21**
Unallocated interest income				**5**
Total interest income				**26**
Interest expenses	**(3,578)**	**(4,405)**	**(92)**	**(8,075)**
Unallocated interest expenses				**(2,263)**
Total interest expenses				**(10,338)**
Allowance for expected credit losses on trade receivables and other receivables, net	**(143)**	**274**	**764**	**895**
Unallocated allowance for expected credit losses on trade receivables and other receivables, net				**(3,153)**
Total allowance for expected credit losses on trade receivables and other receivables, net				**(2,258)**
Depreciation and amortisation charges	**(6,423)**	**(155)**	**(2,682)**	**(9,260)**
Unallocated depreciation and amortisation charges				**(1,472)**
Total depreciation and amortisation charges				**(10,732)**

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

(a) Reportable segments *(Continued)*

	The Manufacturing and Trading Business *RMB'000* *(Unaudited)*	The Automobile Dealership and Services Business *RMB'000* *(Unaudited)*	The Hydrogen Fuel Cell Business *RMB'000* *(Unaudited)*	Total *RMB'000* *(Unaudited)*
For the six months ended 30 June 2024				
Segment revenue	187,631	49,962	–	237,593
Reportable segment results	7,344	(2,324)	(701)	4,319
Interest income	402	1	9	412
Unallocated interest income				104
Total interest income				516
Interest expenses	(3,718)	(4,167)	–	(7,885)
Unallocated interest expenses				(2,618)
Total interest expenses				(10,503)
Allowance for expected credit losses on trade receivables and other receivables, net	(2,847)	1,695	(38)	(1,190)
Unallocated allowance for expected credit losses on trade receivables and other receivables, net				(31)
Total allowance for expected credit losses on trade receivables and other receivables, net				(1,221)
Depreciation and amortisation charges	(6,837)	(180)	–	(7,017)
Unallocated depreciation and amortisation charges				(476)
Total depreciation and amortisation charges				(7,493)

4. **REVENUE AND SEGMENT INFORMATION** *(Continued)*

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Loss before taxation		
Reportable segment results	**(12,462)**	4,319
Unallocated other income and gains or losses, net	**(16,953)**	(2,527)
Unallocated allowance for expected credit losses on trade receivables, deposits, and other receivable, net	**(3,153)**	(31)
Unallocated corporate expenses	**(20,196)**	(13,193)
Unallocated finance costs	**(2,263)**	(2,618)
Consolidated loss before taxation	**(55,027)**	(14,050)

	At 30 June	At 31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Assets		
Reportable segment assets	**1,288,168**	1,296,238
Unallocated corporate assets	**186,378**	218,194
Consolidated total assets	**1,474,546**	1,514,432
Liabilities		
Reportable segment liabilities	**785,503**	755,037
Unallocated corporate liabilities	**88,094**	103,443
Consolidated total liabilities	**873,597**	858,480

(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 ("**specified non-current assets**"):

	Revenue from external customers		**Specified non-current assets**	
	Six months ended 30 June		**At 30 June**	At 31 December
	2025	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Audited)*
PRC (Place of domicile)	**113,113**	87,904	**318,634**	322,316
America	**109,724**	127,196	**–**	–
Europe	**4,738**	5,026	**–**	–
Asia Pacific	**42,569**	17,467	**–**	–
	270,144	237,593	**318,634**	322,316

4. REVENUE AND SEGMENT INFORMATION *(Continued)*

(d) Major customers

During the six months ended 30 June 2025, the Group's customer base was diversified and there was no customer (30 June 2024: Nil) with whom transactions exceeded 10% of the Group's revenue.

5. OTHER INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Mould sales	**256**	80
Interest income	**26**	516
Gross rentals from investment properties and other rental income	**451**	387
Scrap and slow-moving material sales	**–**	794
Others	**361**	474
	1,094	2,251

6. OTHER GAINS OR LOSSES, NET

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Exchange gain, net	**2,116**	1,745
Loss on disposal of property, plant and equipment	**(14)**	(216)
Government subsidies	**1,200**	1,833
Fair value loss on financial assets at fair value through profit or loss	**(19,781)**	(2,159)
Others	**656**	88
	(15,823)	1,291

7. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Interest on bank and other borrowings	**10,226**	10,416
Interest on lease liabilities	**112**	87
	10,338	10,503

8. INCOME TAX

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Current tax	**353**	2,251
Deferred taxation	**–**	(177)
	353	2,074

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 2025 (30 June 2024: Nil). Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

9. LOSS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Loss		
Loss for the period attributable to the equity shareholders of the Company for the purpose of basic and diluted loss per share	**(54,027)**	(15,917)
Number of shares		
Weighted average number of shares for the purpose of calculating basic and diluted loss per share	**17,216,948,349**	17,216,948,349

* No adjustment is made to the diluted loss per share for the six months ended 30 June 2025 (30 June 2024: Nil) as there were no potential dilutive shares in issue.

10. DIVIDEND

The board of Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (30 June 2024: Nil).

11. TRADE RECEIVABLES

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

	At 30 June 2025 *RMB'000* *(Unaudited)*	At 31 December 2024 *RMB'000* *(Audited)*
Current to 30 days	**56,126**	60,069
31 to 60 days	**11,160**	13,518
61 to 90 days	**4,671**	3,176
Over 90 days	**4,620**	3,154
	76,577	79,917

12. TRADE PAYABLES

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

	At 30 June 2025 *RMB'000* *(Unaudited)*	At 31 December 2024 *RMB'000* *(Audited)*
Current to 30 days	**83,788**	73,343
31 to 60 days	**24,371**	17,977
61 to 90 days	**18,981**	13,052
Over 90 days	**127,456**	126,760
	254,596	231,132

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group focuses on the research and development ("**R&D**"), manufacturing and sales of automotive electronic products, the construction and development of automobile dealership networks and the R&D, sales and provision of integrated solutions for hydrogen fuel cells. 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 aftersales services, and the distribution of car insurance products and automobile financial products. In the second half of 2023, the Group also commenced its hydrogen-fuel cell related business which mainly provides hydrogen-related products and solutions to governments and customers in the field of the Internet Data Center ("**IDC**"). The overall construction of the plants and production lines for the operation of the hydrogen fuel cell business has been substantially completed, but such business has not yet generated any revenue for the Period.

Results Highlights

Revenue

The consolidated revenue of the Group for the Period was approximately RMB270,144,000 (corresponding period of 2024: RMB237,593,000), representing an increase of approximately 13.70%.

The consolidated revenue from the manufacturing and trading business of the Group for the Period was approximately RMB200,102,000 (corresponding period of 2024: RMB187,631,000), representing an increase of approximately 6.65%. The increase was mainly attributable to the Group's proactive expansion in its customer base for its manufacturing and trading business, and the strong performance of the Chinese passenger vehicle market during the Period, which drove up the purchasing demand from vehicle manufacturers for the Group's manufacturing and trading business' domestic sales products.

The consolidated revenue from the Group's automobile dealership and services business amounted to approximately RMB70,042,000 (corresponding period of 2024: RMB49,962,000), representing an increase of approximately 40.19%. The increase was mainly attributable to the implementation of various supportive policies and the provision of financial subsidies for sales promotion by government departments and automobile manufacturers during the Period.

Gross profit and gross profit margin

The consolidated gross profit of the Group for the Period was approximately RMB42,066,000 (corresponding period of 2024: RMB43,233,000), representing a decrease of approximately 2.70%. The gross profit margin decreased from approximately 18.20% for the corresponding period of 2024 to approximately 15.57%.

The gross profit of the Group's manufacturing and trading business was approximately RMB38,895,000 (corresponding period of 2024: RMB40,247,000), representing a decrease of approximately 3.36%. The gross profit margin decreased from approximately 21.45% for the corresponding period of 2024 to approximately 19.44%. The decrease in gross profit and gross profit margin was mainly attributable to the decrease in the selling prices for certain products as a result of the intensified competition in the domestic market, and a relatively low gross profit margin on the products sold to new customers during the Period.

The gross profit of the Group's automobile dealership and services business was approximately RMB3,171,000 (corresponding period of 2024: RMB2,986,000), representing an increase of approximately 6.20%. The gross profit margin decreased from approximately 5.98% for the corresponding period of 2024 to approximately 4.53%. The increase in gross profit was mainly attributable to higher revenue for the Period compared to that of the corresponding period of 2024. The decrease in gross profit margin was mainly attributable to the decrease in selling price of merchandise as a result of the intensified competition in the market, and an increase in the proportion of sales of vehicle models with lower gross profit margin.

Other income and gains and losses

Other income for the Period was approximately RMB1,094,000 (corresponding period of 2024: RMB2,251,000).

Other net loss for the Period was approximately RMB15,823,000 (corresponding period of 2024: other net gain of RMB1,291,000). The turnaround from gain to loss was mainly attributable to the loss in fair value change of approximately RMB18,146,000 for the Period on the approximately 29.03% equity interest in Shihezi Yike Equity Investment Partnership (Limited Partnership)* (石河子怡科股權投資合夥企業（有限合夥）) ("**Shihezi Yike**") held by the Company, representing an increase in loss by approximately RMB16,150,000 compared to that of the corresponding period of 2024.

Expenses

Net allowance for expected credit losses on trade receivables and other receivables for the Period was approximately RMB2,258,000 (corresponding period of 2024: RMB1,221,000).

The distribution costs for the Period were approximately RMB15,931,000 (corresponding period of 2024: RMB16,537,000), representing a decrease of approximately 3.66%. The decrease was mainly attributable to the streamlining of the sales team and the optimization of the sales channels of the Group to control costs and expenses during the Period.

The administrative expenses for the Period were approximately RMB51,051,000 (corresponding period of 2024: RMB32,563,000), representing an increase of approximately 56.78%. The increase was mainly attributable to a significant increase in personnel expenses as the Group's manufacturing-related companies expanded their pool of professional R&D personnel and high-end talent to promote the transition from traditional automotive electronics products to new energy automotive electronics. Meanwhile, the use of consumables and investment in equipment for R&D support during the product transition also drove up the relevant expenses. The Group's hydrogen-related companies experienced a significant increase in personnel and other administrative expenses due to a series of start-up costs for team formation and compliance filing during the initial stage of operation.

Operating loss

The operating loss of the Group for the Period was approximately RMB44,689,000 (corresponding period of 2024: RMB3,547,000). The main reasons for the increase in loss was due to the increase in administrative expenses of approximately RMB18,488,000 during the Period, and the turnaround difference from gains to losses of approximately RMB17,114,000 in other gains or losses, net, as compared to that of the corresponding period of 2024.

Finance costs

Finance costs for the Period were approximately RMB10,338,000 (corresponding period of 2024: RMB10,503,000), representing a decrease of approximately 1.57%, which was mainly attributable to the lower average balances for the Group's bank and other borrowings during the Period as compared to that of the corresponding period of 2024.

Taxation

The income tax expenses for the Period were approximately RMB353,000 (corresponding period of 2024: RMB2,074,000).

Loss attributable to equity shareholders of the Company

The loss attributable to equity shareholders of the Company for the Period was approximately RMB54,027,000 (corresponding period of 2024: RMB15,917,000). The increase in loss was mainly due to the increase in administrative expenses and the turnaround from gains to losses in other gains or losses, net, during the Period. The loss per share for the Period was approximately RMB0.314 cents (corresponding period of 2024: RMB0.092 cents).

Financial Position and Liquidity

The Group had a net cash inflow from operating activities of approximately RMB7,496,000 during the Period (corresponding period of 2024: RMB5,918,000).

Non-current assets were approximately RMB867,278,000 as at 30 June 2025 (31 December 2024: RMB855,165,000).

The Group's net current liabilities were approximately RMB132,157,000 as at 30 June 2025 (31 December 2024: RMB63,371,000), with a current ratio of 0.82 (31 December 2024: 0.91).

Gearing ratio (calculated by dividing total liabilities by total assets) was approximately 59.25% as at 30 June 2025 (31 December 2024: 56.69%).

As at 30 June 2025, the total bank and other borrowings of the Group were approximately RMB300,322,000 (31 December 2024: RMB305,141,000), of which approximately 18.58% were made in HKD and approximately 81.42% were made in RMB. All of the borrowings were repayable at fixed interest rates, of which approximately RMB244,516,000 shall be repayable within one year, and approximately RMB55,806,000 shall be repayable after one year but not more than five years.

The Group's operation and capital expenses were financed by the cash flow generated from its business, internal liquidity and its 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.

Collection of Receivables

Recovery of Lifeng Dingsheng Receivables

Deposits, prepayments and other receivables (the "**Receivables**") mainly included an aggregate amount of approximately RMB560,250,000 due from Inner Mongolia Lifeng Dingsheng Automobile Co., Ltd.* (內蒙古利豐鼎盛汽車有限公司) ("**Lifeng Dingsheng**") and its subsidiaries and associates to Inner Mongolia Chuangying Automobile Co., Ltd.* (內蒙古創贏汽車有限公司) ("**Inner Mongolia Chuangying**", a wholly-owned subsidiary of the Company) and its subsidiaries ("**Lifeng Dingsheng Receivables**") as of 30 June 2025. The management of the Group will continue to monitor the repayment status of Lifeng Dingsheng, and will realize the pledged equity interests and creditor's right in a reasonable manner in due course in order to collect the Lifeng Dingsheng Receivables.

Recovery of Beijing Aiyihang Receivable

On 22 November 2019, New Focus Lighting and Power Technology (Shanghai) Co., Ltd.* (紐福克斯光電科技(上海)有限公司) ("**New Focus Lighting & Power (Shanghai)**", a wholly-owned subsidiary of the Company) entered into an equity transfer agreement in relation to the disposal of a non wholly-owned subsidiary, Beijing Aiyihang Auto Service Ltd.* (北京愛義行汽車服務有限責任公司) ("**Beijing Aiyihang**"). According to the equity transfer agreement, if the audited net assets and net profit of Beijing Aiyihang meet certain conditions within 36 months from the date of signing the agreement, Beijing Aiyihang shall repay the arrears in the sum of RMB50,000,000 to the Group, otherwise it shall repay the arrears in the sum of RMB35,000,000. At the end of 2022, New Focus Lighting & Power (Shanghai) initiated arbitration proceedings against Beijing Aiyihang, demanding Beijing Aiyihang to repay the remaining arrears of RMB15,000,000 due in November 2022. At the end of May 2024, the arbitral tribunal ruled that Beijing Aiyihang was liable to repay RMB15,000,000 and interests thereon to New Focus Lighting & Power (Shanghai). As of the date of this announcement, New Focus Lighting & Power (Shanghai) had applied to the court for enforcement of the arbitral award as the above repayment had not been made so far.

Land Expropriation

On 22 November 2024, New Focus Lighting & Power (Shanghai) entered into a land expropriation (non-residential) compensation agreement (the "**Expropriation Compensation Agreement**") with Shanghai Qingpu Industrial Zone Development (Group) Co., Ltd.* (上海青浦工業園區發展(集團)有限公司), a company owned by the relevant governmental authority. According to the Expropriation Compensation Agreement, the land and buildings erected and located at No. 4589-4599 Waiqingsong Highway, Qingpu District, Shanghai (the "**Targeted Properties**"), of which New Focus Lighting & Power (Shanghai) held land use rights will be subject to expropriation (the "**Property Expropriation**"). New Focus Lighting & Power (Shanghai) will receive approximately RMB368,881,000 in compensation (the "**Compensation**") based on its relocation progress.

Pursuant to the Expropriation Compensation Agreement, the handover of the Targeted Properties shall be completed by the end of December 2026, unless otherwise extended under limited circumstances. New Focus Lighting & Power (Shanghai) had commenced relevant work in due course, including but not limited to exploring new land and/or properties that may be acquired for the purpose of relocation of its production plant. The management of the Group will use its best efforts to minimize the possible adverse impact of the Property Expropriation on the normal operations of Group.

As of 30 June 2025, New Focus Lighting & Power (Shanghai) had received Compensation of approximately RMB66,399,000, which was fully included in deferred income. Please refer to the announcements of the Company dated 13 May 2024 and 25 November 2024 for further details of the Property Expropriation and the Expropriation Compensation Agreement.

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 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 capital requirements from time to time.

Approximately 80% of the revenue of the Group's manufacturing and trading business was generated from the export of its products settled in USD, while other businesses were all in China, with the settlement currency being RMB. As such, the Group's cash and cash equivalents and borrowings are denominated in RMB, USD and HKD.

As at 30 June 2025, the total assets of the Group were approximately RMB1,474,546,000 (31 December 2024: RMB1,514,432,000), which comprised: (1) share capital of approximately RMB1,490,706,000 (31 December 2024: approximately RMB1,490,706,000); (2) reserves of approximately RMB(889,757,000) (31 December 2024: approximately RMB(834,754,000)); and (3) liabilities of approximately RMB873,597,000 (31 December 2024: approximately RMB858,480,000).

Financial Guarantees and Pledge of Assets

On 16 June 2025, Wenzhou Ouchu Technology Co., Ltd.* (溫州甌儲科技有限公司) ("**Wenzhou Ouchu**", an associate of the Company), as a lessee, entered into a finance lease agreement (the "**Finance Lease Agreement**") with Qianhai Xingbang Financial Leasing Co., Ltd.* (前海興邦金融租賃有限責任公司) ("**Qianhai Xingbang**", as a lessor), pursuant to which Wenzhou Ouchu sold the new energy equipment including but not limited to electric power storage equipment (the "**Leased Assets**") to Qianhai Xingbang at a consideration of RMB220,000,000, and Qianhai Xingbang leased back the Leased Assets to Wenzhou Ouchu for a term of 10 years. The total lease payments payable by Wenzhou Ouchu was RMB272,730,897.44. On the same date, a pledge agreement was also entered into between New Focus Technology (Beijing) Co., Ltd.* (紐福克斯科技(北京)有限公司) ("**New Focus (Beijing)**") and Qianhai Xingbang, pursuant to which all equity interest in Wenzhou Ouchu held by New Focus (Beijing) was pledged to Qianhai Xingbang to secure Wenzhou Ouchu's obligations under the Finance Lease Agreement.

As at 30 June 2025, the Group's net book values of inventory, investment properties, property, plant and equipment, right-of-use assets and interests in associates pledged totaled approximately RMB152,892,000 (31 December 2024: RMB153,195,000), of which approximately RMB129,190,000 was pledged as security for the Group's bank and other borrowings, and approximately RMB23,702,000 was pledged as security for the Group's associates.

Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

During the Period, the Group had no other material acquisitions or disposal of subsidiaries, associates or joint ventures.

Significant Investments

The significant investments of the Group and their post-investment status during the Period are as follows:

Intended Acquisition of Equity Interest in a Domestic Chinese Company

On 15 August 2024, New Focus (Beijing) entered into a letter of intent (the "**Letter of Intent**") on the proposed acquisition of 28.4755% equity interest in a domestic Chinese company (the "**Target Company**"), pursuant to which New Focus (Beijing) paid a refundable acquisition earnest money of RMB15,000,000 (the "**Earnest Money**") to the relevant shareholder of the Target Company (the "**Transferor**"). The main business of the Target Company is new-energy vehicle charging services.

On 26 February 2025, New Focus (Beijing) and the Transferor further entered into an agreement to terminate the Letter of Intent (the "**Termination Agreement**"). Pursuant to the Termination Agreement, the Transferor shall refund the Earnest Money by 31 March 2025, and the repayment date may be extended to 30 April 2025 if otherwise agreed upon. As of the date of this announcement, the Transferor had refunded RMB15,000,000 of the Earnest Money.

Investment made by Tianjin Hongzhuo Enterprise Management Center (Limited Partnership) (天津宏卓企業管理中心（有限合夥）) (“**Tianjin Hongzhuo**”)*

On 2 July 2023, New Focus (Beijing), as one of the limited partners, entered into a partnership agreement for the establishment of Tianjin Hongzhuo, contributing RMB140,000,000 out of a total capital commitment of RMB290,200,000. Tianjin Hongzhuo primarily invests in fields such as new energy and new materials, including specific sub-sectors such as new energy, lithium batteries, new materials and new energy engines, prioritizing its investments in industries principally engaged in by the Group. As at 30 June 2025, the fair value of the investment of New Focus (Beijing) in Tianjin Hongzhuo was approximately RMB111,232,000, representing approximately 7.54% of the total assets of the Company.

On 3 July 2023, Tianjin Hongzhuo entered into an investment agreement for the investment in a project in the upstream sector of the carbon fiber new material industry among our reserve projects. The pre-money valuation of the project was RMB144,000,000, and Tianjin Hongzhuo has made an equity investment in the project by way of capital contribution of RMB140,000,000, representing approximately 49.30% of the equity interests therein. The businesses of the project mainly include the planning, design, construction, operation and maintenance of industrial high-pressure steam pipeline projects required by key state-owned enterprises for their production in Jilin Province. Upon completion of the construction of these pipelines, the project will provide pipeline leasing services under a lease model and receive pipeline rental fees.

As of the date of this announcement, the construction of the main structure of the pipelines of the project has been basically completed. Due to adjustments made to the project design during the construction implementation phase, the adjusted route would need to run through the premises of a local enterprise, resulting in delays in the construction of pipeline connection nodes. Currently, the project company is actively negotiating with the affected enterprise for a compensation proposal. Given that the project is still under construction, investment income and operating results have not yet been recorded during the Period.

Please refer to the announcements of the Company dated 2 July 2023 and 19 July 2023 for further details of Tianjin Hongzhuo.

Investment in setting up a Fuel Cell Systemic Integration Production Line

On 6 October 2023, Jinyi (Mianyang) Hydrogen Energy Technology Co., Ltd.* (錦宜（綿陽）氫能科技有限公司) (“**Jinyi**”, an indirect non wholly-owned subsidiary of the Company, as the purchaser) and Hengshi Zhefeng (Tianjin) Technology Co., Ltd.* (亨世哲豐（天津）科技有限公司) (“**Hengshi Zhefeng**”, formerly known as Zheda Tongbo (Tianjin) Technology Co., Ltd.* (哲達通博（天津）科技有限公司), as the vendor) entered into a purchase agreement for the purchase of a fuel cell systemic integration production line (the “**Production Line**”) and its related equipment, as well as procedural design, debugging, training and guidance, and development, deployment and debugging services for a software platform at an aggregate consideration of RMB298,000,000 (tax inclusive) to set up the Production Line for its business operations.

On 1 August 2024, Jinyi entered into a supplemental agreement with Hengshi Zhefeng, pursuant to which Hengshi Zhefeng will provide an additional membrane electrode production line, and its installation, debugging, training and guidance services (the "**Membrane Electrode Production Line**", and collectively with the Production Line, the "**Production Lines**") at no extra consideration.

As of the date of this announcement, the construction of the production areas and the overall debugging of the Production Lines had been substantially completed. Prototype products of fuel cell membrane electrodes, fuel cell engines and fuel cell modules produced therein have passed third-party inspections and met the predetermined technical standards as shown in the inspection results. The Production Lines will commence formal production upon receipt of orders.

Please refer to the announcement of the Company dated 6 October 2023 for further details of the purchase of the Production Line.

Self-constructed Industrial Park of the Group

The Group is currently carrying out the construction of the Qingdao Laixi Automotive Electronics Industrial Park (the "**Industrial Park**") in Laixi City, Qingdao, Shandong Province, the PRC, at a consideration of RMB290,212,000, which is intended to be developed into a production plant of the Group for the manufacturing of electric components of new energy vehicles. As of the date of this announcement, the Group had already paid an aggregate of RMB207,000,000 out of the contract consideration of RMB290,212,000 to the contractor. As of the date of this announcement, a plant under construction in the Industrial Park had been topped out and the construction of the civil engineering works as well as the installation of mechanical and electrical equipment had been completed. In line with the Group's overall business planning and operational plan, the Group is in communication with the Qingdao Laixi Municipal Government of Shandong Province to determine the specific completion schedule for the plant and other buildings in the Industrial Park that have yet to commence.

Please refer to the announcement dated 6 October 2023 and the circular dated 28 November 2023 of the Company for further details of the construction agreement of the Industrial Park.

Investment in Shihezi Yike

On 3 April 2024, New Focus (Beijing) entered into a partnership agreement with Shenzhen Keshang Technology Co., Ltd.* (深圳市可上科技有限公司) ("**Shenzhen Keshang**"), Lin Baowen and 11 individuals, pursuant to which each of New Focus (Beijing) and Shenzhen Keshang agreed to invest in Shihezi Yike by capital contributions of RMB55,000,000 and RMB85,000,000 for approximately 29.03% interest and approximately 44.87% interest in Shihezi Yike, respectively.

As the purpose of the investment is mainly for the indirect investment into Shenzhen Etouch Technology Co. Ltd.* (深圳怡鈦積科技股份有限公司) ("**Shenzhen Etouch**"), Shenzhen Etouch, Xiamen Yike Technology Development Co., Ltd.* (廈門怡科科技發展有限公司) ("**Xiamen Yike**") (the controlling shareholder of Shenzhen Etouch) and Lin Baowen (the controlling shareholder of Xiamen Yike and the general partner of Shihezi Yike) entered into a cooperation agreement (the "**Cooperation Agreement**") with New Focus (Beijing) and Shihezi Yike on 3 April 2024. The Cooperation Agreement outlines various protection measures, including performance undertakings, put options, anti-dilution rights, pre-emption rights, right of first refusal and tag-along rights, which are in favor of New Focus (Beijing) and/or Shihezi Yike.

New Focus (Beijing) and Shenzhen Keshang had completed their capital contributions of RMB55,000,000 and RMB85,000,000, respectively, to Shihezi Yike for indirect investment in Shenzhen Etouch in April 2024. As at 30 June 2025, the fair value of the investment in Shihezi Yike by New Focus (Beijing) was approximately RMB51,778,000.

On 28 July 2025, based on the unaudited consolidated financial statements of Shenzhen Etouch as of 31 December 2024, New Focus (Beijing) preliminarily assessed that Shenzhen Etouch had failed to fulfil its performance commitments and issued a repurchase notice to Lin Baowen and Xiamen Yike to exercise its repurchase rights as stipulated in the Cooperation Agreement. On 18 August 2025, New Focus (Beijing) received a response letter from Xiamen Yike, which explained the specific reasons for failing to meet the performance targets and the actual operational difficulties, and requested for a temporary suspension of the repurchase while committing to carry out operational improvement measures to achieve the 2025 performance targets. As of the date of this announcement, New Focus (Beijing) is conducting an investigation on the order position and projected profitability for 2025 referenced by Xiamen Yike. The exercise of the repurchase rights will be determined after the completion of the comprehensive assessment.

Please refer to the announcement of the Company dated 3 April 2024 for further details of the investment in Shihezi Yike.

Funds Raising

Issue of the Bonds

On 11 March 2024, (i) the Board approved the issue of unlisted and unsecured bonds with an aggregate principal amount of not more than HK$70,000,000 (the "**Bonds**") in one or multiple tranches, for which the maturity date of the Bonds is 31 December 2027 with an interest rate of 12% per annum; and (ii) the Company entered into a distribution agreement with Bluestone Securities (HK) Co., Limited (the "**Distributor**"), pursuant to which the Distributor has agreed to act as the selling agent of the Company to distribute the Bonds to independent institutional or private investor(s) on a best effort basis within one year from 11 March 2024. Please refer to the announcement of the Company dated 11 March 2024 for further details of the Bonds. As of the date of this announcement, all subscribed Bonds in an aggregate of HK$13,000,000 had been redeemed and the distribution period ended during the Period.

Use of Proceeds from the Subscription

The Company completed the issue of 10,449,312,134 new ordinary shares with an aggregate nominal value of approximately HK$1,044,931,213 under specific mandate to Daodu (Hong Kong) Holding Limited at the subscription price of HK$0.059 per subscription share (the "**Subscription**") for an aggregate consideration of HK$616,509,415.906 on 11 December 2022. The closing price of the shares as quoted on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 28 May 2021, being the date of the subscription agreement, was HK$0.085 per share.

On 25 September 2023, the Board resolved to change the use of approximately HK$224.51 million (equivalent to approximately RMB206 million) to invest in the hydrogen energy business through the capital contribution to Jinyi and Mianyang New Hydrogen New Energy Technology Partnership (Limited Partnership)* (綿陽新氫新能源科技合夥企業(有限合夥)) ("**Mianyang New Hydrogen**") instead, as detailed in the section headed "Significant Investments" in the 2023 annual report of the Company, in order to ride on the global trend of clean energy development.

The intended and actual usage of the net proceeds raised from the Subscription of approximately HK$615 million after amendment (i.e. net issue price of approximately HK$0.059 per share) are set out as follows:

	Amount net proceeds allocated	Amount of net proceeds allocated after amendment on 25 September 2023	Net proceeds utilized during the Period	Net proceeds utilized as of 30 June 2025	Net proceeds unutilized as of 30 June 2025	Expected timetable for utilizing the unused proceeds *(Note 1)*
	HK$ million (approximate)	*HK$ million (approximate)*	*HK$ million (approximate)*	*HK$ million (approximate)*	*HK$ million (approximate)*	
Enhancement of the Company's manufacturing capability						
– purchase of land use rights in Economic Development Zone, Laixi City, Qingdao, Shandong Province	65	43.69	–	–	43.69	By 31 December 2025
– construction of new production plants and other supporting facilities	335	234.4	–	234.4	–	N/A
– purchase of related production equipment in the PRC for production of automotive parts for new energy vehicles	46	–	–	–	–	N/A
– repayment of the outstanding bank and other loans of the Group	111	111	–	111	–	N/A
General working capital of the Group						
– procurement costs of the Group's manufacturing and trading business and automobile dealership and service business	41	–	–	–	–	N/A
– remuneration of the Group's employees	9	1.4	–	1.4	–	N/A
– the Group's other daily expenses	8	–	–	–	–	N/A
Capital contributions to Jinyi and Mianyang New Hydrogen	–	224.51	–	224.51	–	N/A
Total	615	615	–	571.31	43.69	

Note:

1. The Company's original expectation was to utilize the relevant funds in 2023, but due to a longer than expected period for liaison and negotiation with the local government, the relevant funds have not been fully utilized as of the date of this announcement. The Company intends to finalize its plan for the use of the relevant funds (including but not limited to negotiating with the local government on the specific proposal on the disposal of the relevant land use rights in the Economic Development Zone, Laixi City, Qingdao, Shandong Province) by 31 December 2025.

Please refer to the announcements of the Company dated 28 May 2021, 13 September 2021, 21 December 2022, 30 March 2023, 24 April 2023 and 25 September 2023 and the circular of the Company dated 29 July 2021, respectively, for further details of the Subscription.

Exchange Risks

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

Approximately 80% of the turnover from the Group's manufacturing and trading business was generated from the export of its products 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 and trading business. The Group managed its exposure to USD foreign currency risk by securing USD or HKD borrowings to mitigate against such exchange risks. As at 30 June 2025, the Group did not borrow in USD borrowings (31 December 2024: nil) and the amount of its HKD borrowings was approximately HK$61,191,000 (31 December 2024: HK$74,191,000).

Contingent Liabilities

As at 30 June 2025, the contingent liabilities of the Group were approximately RMB20,539,000 (31 December 2024: RMB12,178,000), which was attributable to certain lawsuits filed by two third parties against the Company's subsidiaries. For details, please refer to the section headed "Lawsuits" in this announcement.

Lawsuits

Ningbo Jiche against Inner Mongolia Chuangying

As stated in the announcement of the Company dated 5 June 2023, Inner Mongolia Chuangying was served with a summons as one of the defendants and was required to attend a court hearing on 28 June 2023 in a lawsuit filed by Ningbo Jiche Trading Co., Ltd.* (寧波極車貿易有限公司) ("**Ningbo Jiche**") as the plaintiff. Ningbo Jiche alleged that Inner Mongolia Chuangying had breached the sales contract (the "**Sales Contract**") between them by not paying the outstanding amount of RMB8,506,800 in accordance with the Sales Contract. The claims of Ningbo Jiche against Inner Mongolia Chuangying are as follows:

(1) request before the court for a ruling that Inner Mongolia Chuangying shall pay the outstanding amount of RMB8,506,800 and compensate Ningbo Jiche for losses due to the overdue payments (calculated based on RMB8,506,800, multiplied by 1.5 times the one-year loan prime rate (LPR) published by the National Interbank Funding Center authorized by the People's Bank of China commencing from 9 October 2019 until the actual payment date). The calculated loss was RMB2,160,106.9 as of 14 April 2023;

(2) request before the court for a ruling that Inner Mongolia Chuangying shall pay RMB1,010,680 as the liquidated damages;

(3) request before the court for a ruling that Inner Mongolia Chuangying shall compensate Ningbo Jiche the legal fees of RMB500,000; and

(4) request before the court for a ruling that Inner Mongolia Chuangying shall bear the litigation costs and the preservation fees.

The case has been ordered by Hohhot Huimin District People's Court to be transferred to the Beijing Dongcheng District People's Court for trial. As the trial time has not yet been fixed so far, there is no substantive progress with the case. Owing to the ongoing litigation and the uncertainty regarding the implementation and enforcement of the post-trial rulings, the principal amount of contingent liabilities that may be caused to the Group as a result of these litigations is approximately RMB12,178,000. Please refer to the announcement of the Company dated 5 June 2023 for further details of the lawsuits.

Land lease dispute of New Focus Lighting & Power (Shanghai)

On 9 March 2024, New Focus Lighting & Power (Shanghai) entered into the Land Lease Contract with Shanghai Jianjing Industrial Co., Ltd.* (上海建兢實業有限公司) ("**Jianjing Industrial**"), pursuant to which New Focus Lighting & Power (Shanghai) agreed to lease an idle land parcel in the target property to Jianjing Industrial for use, with the lease term from 1 July 2024 to 30 June 2026. Subsequently, owing to the Property Expropriation, New Focus Lighting & Power (Shanghai) issued to Jianjing Industrial a written notice indicating that New Focus Lighting & Power (Shanghai) would terminate the Land Lease Contract after the finalization of the demolition and eviction plan by giving a 30-day prior notice to Jianjing Industrial. A dispute arose between New Focus Lighting & Power (Shanghai) and Jianjing Industrial over whether New Focus Lighting & Power (Shanghai) was liable to make compensation to Jianjing Industrial (the "**Dispute**").

Jianjing Industrial filed a lawsuit on the Dispute to the Shanghai Qingpu District People's Court with the specific claims below:

(1) request the court to acknowledge that the lease contract between Jianjing Industrial and New Focus Lighting & Power (Shanghai) was terminated on 22 November 2024;

(2) request the court to order New Focus Lighting & Power (Shanghai) to pay to Jianjing Industrial an ancillary facility compensation of RMB8,361,125;

(3) request the court to order New Focus Lighting & Power (Shanghai) to pay to Jianjing Industrial interest on overdue payments (calculated from 23 November 2024 until the actual payment date based on the principal of RMB8,361,125); and

(4) New Focus Lighting & Power (Shanghai) shall be liable to bear the litigation costs for this case.

Given that Jianjing Industrial is still using the leased land on a normal basis with rent arrears, New Focus Lighting & Power (Shanghai) has filed a counterclaim before the Shanghai Qingpu District People's Court on the Dispute with specific counterclaims below:

(1) request the court to order Jianjing Industrial to pay to New Focus Lighting & Power (Shanghai) the overdue rent of RMB900,000 (temporarily calculated up to 30 June 2025);

(2) request the court to order Jianjing Industrial to pay the liquidated damages to New Focus Lighting & Power (Shanghai); and

(3) Jianjing Industrial shall be liable to bear the litigation costs for this case.

Owing to the ongoing litigation and the uncertainty regarding the implementation and enforcement of the post-trial rulings, the principal amount of contingent liabilities that may be caused to the Group as a result of these litigations is approximately RMB8,361,125.

Employees and Remuneration Policy

As at 30 June 2025, the Group employed a total of 728 full-time employees (30 June 2024: 653), of which 199 (30 June 2024: 140) were managerial staff. The Group's remuneration policies are formulated to attract talent and retain high-caliber 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 staff. The Group emphasizes 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 did not recommend the payment of an interim dividend for the Period (corresponding period of 2024: Nil).

Material Events after the Reporting Period

No major subsequent events affecting the Group have occurred since the end of the Period and up to the date of this announcement.

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 15,653,000 during the Period, representing a year-on-year increase of approximately 11.4%, of which the sales volume of passenger vehicles amounted to approximately 13,531,000, representing a year-on-year increase of approximately 13%. The sales of automobiles in the PRC showed a growth trend in the Period, which was attributable to the proactive macro policies at the national level and the stable economic performance in the PRC. However, the industry in which the Group operates still faces several challenges. Internal pressures, such as lingering doubts about the sustainability of economic recovery leading to weakened consumer confidence, coexist with external headwinds including uncertainties in the global trade environment, the impending phase-out of purchase tax exemptions for new energy vehicles and the suspension of vehicle replacement subsidies in certain regions, which collectively exert continuous pressure on our overall profitability and pose challenges to our operation and growth.

In terms of the hydrogen-related business, the industry has been steadily advancing under the guidance of policies and the momentum of technological innovation. In June 2025, the National Energy Administration of China issued the Notice on Organizing and Carrying Out Pilot Projects in the Hydrogen Energy Sector (《關於組織開展能源領域氫能試點工作的通知》), which clearly states that projects and regions will be selected based on the production, storage, transportation, and application of, and generic technology support for, hydrogen energy so as to carry out pilot projects, and supporting measures such as loans will be provided, thereby establishing a systematic policy framework and resource guarantee system for the development of the industry. Driven by the central government's policy support including subsidies, the commercialization of China's fuel cell industry has been progressing in an orderly manner, demonstrating increasingly mature commercial practices. At the same time, sustained technological advancements and progressive reduction in production costs have laid a solid foundation for the large-scale development of the hydrogen energy industry in the future. Given the high commercial operation costs, the need to enhance market acceptance, and intensifying competition caused by the entrance of new players in response to the rising trend of the industry, opportunities and challenges coexist in the development of the industry.

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 aftersales services, as well as the distribution of car insurance products and financial products.

During the Period, such business in most regions has basically come to a halt, with only a portion of the maintenance business remaining to address customer issues passed from previous operations, such as providing services related to extended warranties and prepaid maintenance and insurance. Relevant operations continued in individual regions, with the core operational objective at the current stage being to optimize the cost control system, rationally manage various operating expenses, enhance operational resilience, and ensure the stable and orderly progression of business.

Manufacturing and Trading Business of the Group

During the Period, the operating revenue of the manufacturing and trading business of the Group increased by approximately 6.65% as compared to that for the corresponding period of 2024. Although some foreign customers were seeking non-PRC manufacturing suppliers against the backdrop of the continued deterioration in Sino-US relations, we have actively expanded our non-US business markets while successfully sourcing new customers in the energy storage sector during the Period. These efforts have collectively driven an approximate 4.90% year-on-year increase in foreign trade revenue as compared to that for the corresponding period of 2024. Domestic trade performance was particularly robust, with revenue increasing by approximately 13.52% year-on-year. The Group managed to stabilize export order volumes for its manufacturing and trading business by expanding OEM partnership models in Vietnam, while continuously strengthening its presence in the domestic market and actively expanding into pre-installation of new energy business and lithium battery product business. The gross profit margin of the manufacturing and trading business of the Group slightly decreased as compared to that for the corresponding period of 2024 mainly due to the lower gross profit margin of the products sold to new energy storage customers in foreign trade, coupled with the lower gross profit margin of high-sales-volume products in domestic trade.

In terms of business operations and capability building, the Group's newly established Electromagnetic Compatibility Laboratory for its manufacturing and trading business officially commenced operation in March 2024, providing a solid internal support platform for the reliability testing of its new products. Continuous efforts were made to strengthen the reserve of specialized and high-caliber talents for its R&D activities. The product portfolio under R&D progressively expanded from the traditional single power supplies and inverters to new energy products. Meanwhile, the Group has implemented the "Lean Production and Digital Chemical Plant Project" for its manufacturing and trading business and promoted normalized management. The "Manufacturing Execution System" has also achieved basic stable operation to meet industrial requirements and strengthen the transformation.

The Group will continue to enhance its product capacity in its manufacturing and trading business by reducing costs and increasing efficiency to embrace more market opportunities. The Group will prioritize expanding its export business into the African and Australian markets for its manufacturing and trading business, focusing on mobile energy storage and recreational vehicle (RV) power supply products. Moreover, the Group's manufacturing and trading business will position itself in the commercial vehicle power supply and electric industrial vehicle power supply product sectors, while launching battery products for trucks to lay the foundation for further expansion in these markets.

Hydrogen-Related Business

The Group's hydrogen-related business, as a provider of hydrogen fuel cell R&D, sales and holistic solutions, provides hydrogen-related products and solutions to government and leading customers in the IDC sector. The main business includes the sale of equipment, hydrogen consultancy and the provision of hydrogen services.

Currently, the Group's operating entity in the hydrogen-related industry has completed the construction of the production areas and the overall debugging of the production line in relation to the hydrogen-related construction project. Prototype products of fuel cell membrane electrodes, fuel cell engines and fuel cell modules have passed third-party inspections and met the predetermined technical standards. Our relevant business teams are actively advancing bidding efforts and extensively contacting domestic and overseas customers. At the same time, relevant project companies are continuously enhancing their operational proficiency based on the prototype results according to the established process routes, which will lay a foundation for achieving mass production.

The Group's operating entity in the hydrogen-related industry will take "fuel cell systems + distributed power stations" as its main product to create a demonstrative scenario of hydrogen energy application in regards to transportation and data centers and promote the business development of the products. At the same time, the Group's operating entity in the hydrogen related industry is committed to strengthening cooperation with its partners in hydrogen production, hydrogen storage, hydrogen refueling and other industries, so as to build the Company into a comprehensive hydrogen energy solution provider.

Prospects

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

CORPORATE GOVERNANCE AND OTHERS

Corporate Governance

In the opinion of the Directors, the Company has complied with the code provisions in the Corporate Governance Code (as applicable to the Period) as set out in Appendix C1 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange during the Period.

Statements of Disciplinary Action

On 17 June 2025, the Stock Exchange issued statements of disciplinary action to the Company, one current Director and six former Directors, respectively.

Pursuant to the aforesaid statements of disciplinary action, the Listing Committee of the Stock Exchange found that the Company has breached (1) Rule 14.34 of the Listing Rules for its late disclosure concerning (a) the granting of one of the multiple loans and entering into of multiple equity transfer transactions of about RMB176 million in total (the "**Unauthorized Transactions**") without the Board's approval or knowledge by a former Director, (b) the granting of a loan of about RMB205 million in December 2022 (the "**2022 Loan**") by a current Director, (c) the granting a further loan of about RMB272 million in January 2023 (the "**2023 Loan**") to the same borrower by a current Director, and (d) the establishment of a new company by a current Director; (2) Rules 13.15, 14.38A and 14.40 of the Listing Rules for its delay in disclosing, sending circulars and seeking shareholders' approvals of the 2022 Loan and the 2023 Loan; (3) Rule 2.13 of the Listing Rules for its inaccurate and incomplete disclosure of the 2022 Loan and the 2023 Loan; and (4) Rule 14A.35 of the Listing Rules for its late disclosure of the establishment of a new company.

Mr. Tong Fei, an executive Director, has breached Rules 3.08 and 3.09B(2) of the Listing Rules for his failure to (1) ensure that the Company had adequate and effective internal controls in place with respect to the 2022 Loan and the 2023 Loan; (2) report the 2022 Loan, the 2023 Loan and the establishment of a new company to the Board in a timely manner; and (3) use his best endeavors to procure the Company's compliance with the Listing Rules.

The Listing Committee also found as follows:

Mr. Zhang Jianxing, a former Director, has breached Rules 3.08 and 3.09B(2) of the Listing Rules for his failure to (1) ensure that the Company had adequate and effective internal controls in place with respect to the Unauthorized Transactions; (2) report the discovery of the unauthorized nature of the Unauthorized Transactions to the Board in a timely manner; and (3) use his best endeavors to procure the Company's compliance with the Listing Rules.

Mr. Zhang Xiaoya, a former Director, has breached Rules 3.08 and 3.09B(2) of the Listing Rules by failing to (a) ensure that the Company had adequate and effective internal controls in place at the material time; and (b) use his best endeavors to procure the Company's compliance with the Listing Rules. Both Mr. Zhang Xiaoya and Ms. Shi Jing, a former director, have breached Rules 3.09C and 3.20 of the Listing Rules by failing to cooperate in the investigation of the Listing Division of the Stock Exchange. The failure of both Mr. Zhang Xiaoya and Ms. Shi Jing to discharge their responsibilities under the Listing Rules was serious.

Other relevant Directors, who are also former Directors, were found to have breached Rules 3.08 and 3.09B(2) of the Listing Rules for their respective failure to (1) ensure that the Company had adequate and effective internal controls in place with respect to the Unauthorized Transactions; and (2) use their best endeavors to procure the Company's compliance with the Listing Rules.

The Company and the relevant Directors did not contest their respective breaches and agreed to the sanctions and directions imposed on them as set out in the statements of disciplinary action. As of the date of this announcement, Mr. Tong Fei, an executive Director, is attending the required 26 hours of trainings on regulatory and legal topics and Listing Rule compliance as directed by the Stock Exchange.

For details, please refer to the regulatory announcement issued by the Stock Exchange on 17 June 2025.

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

The Group has not purchased, sold or redeemed any of the Company's listed securities during the Period.

Securities Transactions of Directors

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealings in securities of the Company by the Directors or relevant employees as defined in the Model Code. Having made specific enquiry to all Directors, all Directors confirmed that they had complied with the requirements in the Model Code during the Period.

AUDIT COMMITTEE

At present, 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 results announcement has not been audited but has been reviewed by the Audit Committee.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.nfa360.com). The 2025 interim report will be dispatched to the shareholders of the Company who request paper copies of communications and be made available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
New Focus Auto Tech Holdings Limited
TONG Fei
Chairman and Executive Director

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises the following Directors: executive Director – TONG Fei; and independent non-executive Directors – LI Qingwen, ZHANG Kaizhi and LUO Baiyun.

* *For identification purposes only*