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NEW FOCUS AUTO TECH HOLDINGS LIMITED

新焦點汽車技術控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 360)

PROFIT WARNING

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

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders and the potential investors of the Company that, based on the information currently available and a preliminary assessment of the financial information of the Group for the six months ended 30 June 2024 (the “**Period**”), the Group is expected to record a net loss in the range of approximately RMB15 million to RMB17 million for the Period (the same period of 2023: a net loss of approximately RMB5.26 million).

The increase in net loss during the Period was primarily due to the following reasons: (i) the decrease in revenue from the Company’s non-principal businesses (including interest receivable from loans and consulting fee income from supply chain management), the loss in change in fair value of assets from foreign investments and other factors, which in aggregate resulted in a year-on-year decrease in other income and other gains or losses, net of approximately RMB8.30 million; (ii) the increase in depreciation and amortization expenses resulted from the increase in property, plant and equipment, and the right-of-use assets as compared to the same period of 2023, as well as the employment of certain new management personnel, which in aggregate resulted in a year-on-year increase in administrative expenses of approximately RMB4.70 million; and (iii) net allowance for expected credit losses on trade receivables, deposits, prepayments and other receivables changed from reversal to allowance as compared to the same period of 2023, resulting in a year-on-year decrease in profit of approximately RMB2.10 million.

The Company also took measures to reduce its net loss during the Period. The Company has streamlined its sales team and optimized its sales channels, which resulted in a year-on-year decrease in distribution costs of approximately RMB2.90 million. In addition, the Company repaid part of its borrowings, which resulted in a year-on-year decrease in finance costs of approximately RMB1.30 million.

The Company is still in the process of finalizing its interim results for the Period. The information contained in this announcement is only a preliminary assessment based on the information currently available to the Board, and has not been audited or reviewed by the auditor or the audit committee of the Company. Details of the financial information shall be subject to the disclosure in the 2024 interim results announcement and 2024 interim report of the Company.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
New Focus Auto Tech Holdings Limited
Tong Fei
Chairman and Executive Director

Hong Kong, 31 July 2024

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

* *For identification purposes only*