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)

AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of New Focus Auto Tech Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024 (the "**Year**") together with the comparative figures for the year ended 31 December 2023 ("**2023**") as follows:

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	4	**518,516**	555,377
Cost of sales and services		**(431,259)**	(459,809)
Gross profit		**87,257**	95,568
Other income	5	**8,175**	15,858
Other gains or losses, net	6	**10,772**	2,786
Allowance for expected credit losses on trade receivables and other receivables, net		**(30,689)**	(64,736)
Written down of inventories, net		**(2,008)**	(4,601)
Distribution costs		**(34,862)**	(37,709)
Administrative expenses		**(85,298)**	(65,621)
Share of results of an associate		**(3,514)**	(1)
Finance costs	7	**(21,149)**	(25,213)
Loss before taxation	8	**(71,316)**	(83,669)
Income tax expense	9	**(526)**	(4,727)
Loss for the year		**(71,842)**	(88,396)
Other comprehensive income/(loss) for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**1,348**	(4,442)
Items 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		**(28,700)**	–
Other comprehensive loss for the year, net of tax		**(27,352)**	(4,442)
Total comprehensive loss for the year		**(99,194)**	(92,838)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*
For the year ended 31 December 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Loss for the year attributable to			
– Equity shareholders of the Company		**(67,923)**	(87,320)
– Non-controlling interests		**(3,919)**	(1,076)
		(71,842)	(88,396)
Total comprehensive loss attributable to			
– Equity shareholders of the Company		**(95,275)**	(91,762)
– Non-controlling interests		**(3,919)**	(1,076)
		(99,194)	(92,838)
Loss per share:	*11*		
– Basic and diluted (RMB cents)		**(0.39)**	(0.51)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**249,558**	89,921
Right-of-use assets		**35,835**	35,738
Prepayment for property, plant and equipment		**292,136**	437,000
Investment properties		**36,923**	36,962
Deferred tax assets		**13,034**	3,075
Interests in associates		**41,286**	14,999
Financial assets at fair value through profit or loss		**75,093**	12,697
Financial assets at fair value through other comprehensive income		**111,300**	140,000
		855,165	770,392
Current assets			
Inventories		**111,617**	87,952
Trade receivables	*12*	**79,917**	105,419
Financial assets at fair value through profit or loss		**–**	60,304
Deposits, prepayments and other receivables		**378,375**	377,095
Cash and cash equivalents		**89,358**	78,619
		659,267	709,389
Current liabilities			
Trade payables	*13*	**231,132**	228,946
Accruals and other payables		**200,965**	193,058
Contract liabilities		**23,087**	25,066
Lease liabilities		**2,998**	3,398
Tax payable		**15,977**	4,077
Bank and other borrowings		**248,479**	225,634
		722,638	680,179
Net current (liabilities)/assets		**(63,371)**	29,210
Total assets less current liabilities		**791,794**	799,602

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
At 31 December 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
Non-current liabilities			
Lease liabilities		**3,300**	1,493
Deferred tax liabilities		**9,481**	9,487
Deferred income	*14*	**66,399**	–
Bank and other borrowings		**56,662**	78,476
		135,842	89,456
Net assets		**655,952**	710,146
Capital and reserves			
Share capital	*15*	**1,490,706**	1,490,706
Reserves		**(990,603)**	(895,328)
Total equity attributable to equity shareholders of the Company		**500,103**	595,378
Non-controlling interests		**155,849**	114,768
Total equity		**655,952**	710,146

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations issued by International Accounting Standards Board ("**IASB**"). These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The IASB has issued certain new and amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The following provides information on any changes in accounting policies resulting from the initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the consolidated financial statements.

(b) Basis of preparation of the financial statements

As at 31 December 2024, the Group incurred a loss of approximately RMB71,842,000 for the year ended 31 December 2024, and, as of the date, the Group's current liabilities exceeded it current assets by RMB63,371,000. Further, the Group has short-term bank and other borrowings of approximately RMB248,479,000. As at 31 December 2024, the Group had cash and cash equivalents of approximately RMB89,358,000 which is insufficient to fully repay the bank and other borrowings expiring within 12 months. These indicate that the Group's ability to meet these liquidity requirements depends on its ability to generate sufficient net cash inflows from future operations and other sources.

These facts and circumstances indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

(i) ***Attainment of profitable and positive cash flow operations***

The Group is taking measures to tighten cost controls over various costs and expenses and to seek new investment and business opportunities with an aim to attain profitable and positive cash flow operations.

(ii) ***Necessary facilities***

The Group is in the process of negotiating with its bankers to secure necessary facilities to meet the Group's working capital and financial requirements in the near future.

(iii) ***Acceleration of construction progress***

The Group will actively accelerate the progress of the invested projects, focus on the construction of the invested production plant, expedite the development of production capacity, enhance production efficiency and optimize operational management, and improve the Group's operating cash flow.

The Director have reviewed the Group's cash flow prepared by management which cover a period of not less than twelve months from 31 December 2024. In the opinion of the Directors, the Group will have sufficient working capital for its current needs and it is reasonable to expect the Group to remain a commercially viable concern. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "**Group**"). The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at fair value as set out below:

– Investment properties;

– Financial assets at fair value through other comprehensive income; and

– Financial assets at fair value through profit or loss.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are accounted for in accordance with IFRS 16 Leases and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(c) Functional and presentation currency

The financial statements are presented in Renminbi ("**RMB**"), which is the currency of the primary economic environment in which the major entities of the Group operate. The functional currency of the Company is US dollar.

3. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Amendments to IAS 1 Classification of Liabilities as current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the Amendments had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs in issue but not yet effective

The Group has not early adopted the following new and amendments to IFRSs that have been issued but are not yet effective.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after 1 January 2026.
[4] Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. REVENUE AND SEGMENT INFORMATION

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

	2024	2023
	RMB'000	*RMB'000*
Recognised at a point in time:		
Sales of goods	**502,071**	537,720
Services income	**16,445**	17,657
	518,516	555,377

All sales of goods and 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 segment

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 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 assessment of segment performance and resources allocation.

Set out below is an analysis of segment information:

	The Manufacturing and Trading Business		The Automobile Dealership and Services Business		The Hydrogen Fuel Cell Business		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment revenue	**382,782**	412,043	**135,734**	143,334	**–**	–	**518,516**	555,377
Reportable segment results	**(18,198)**	28,423	**(19,477)**	(88,163)	**(10,938)**	(170)	**(48,613)**	(59,910)
Interest income	**1,679**	9,017	**4**	6	**10**	–	**1,693**	9,023
Unallocated interest income							**478**	261
Total interest income							**2,171**	9,284
Interest expenses	**(7,936)**	(9,928)	**(7,766)**	(10,729)	**(51)**	–	**(15,753)**	(20,657)
Unallocated interest expenses							**(5,396)**	(4,556)
Total interest expenses							**(21,149)**	(25,213)
Allowance for expected credit losses on trade receivables and other receivables, net	**(14,609)**	1,787	**(16,454)**	(68,361)	**(765)**	–	**(31,828)**	(66,574)
Unallocated allowance for expected credit losses on trade receivables and other receivables, net							**1,139**	1,838
							(30,689)	(64,736)
Depreciation and amortisation charges	**(10,204)**	(10,307)	**(121)**	(365)	**(6)**	–	**(10,331)**	(10,672)
Reportable segment assets	**321,164**	413,946	**344,900**	354,317	**630,174**	562,001	**1,296,238**	1,330,264
Additions to capital expenditure	**19,143**	38,962	**455**	590	**151,060**	–	**170,658**	39,552
Reportable segment liabilities	**226,963**	145,870	**287,822**	279,757	**240,252**	235,171	**755,037**	660,798

Note: Capital expenditure consists of addition to property, plant and equipment and additions of right-of-use assets.

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

	2024	2023
	RMB'000	*RMB'000*
Loss before taxation		
Reportable segment loss	**(48,613)**	(59,910)
Unallocated other income and gains or losses, net	**13,419**	153
Unallocated allowance for expected credit losses on trade receivables, deposits, and other receivable, net	**1,139**	1,838
Unallocated corporate expenses	**(31,865)**	(21,194)
Unallocated finance costs	**(5,396)**	(4,556)
Consolidated loss before taxation	**(71,316)**	(83,669)
Assets:		
Reportable segment assets	**1,296,238**	1,330,264
Unallocated corporate assets	**218,194**	149,517
Consolidated total assets	**1,514,432**	1,479,781
Liabilities:		
Reportable segment liabilities	**755,037**	660,798
Unallocated corporate liabilities	**103,443**	108,837
Consolidated total liabilities	**858,480**	769,635

For the purposes of resource allocation and performance assessment between segments:

- All assets are allocated to reportable segments, other than partial deposit, prepayment and other receivables, partial cash and bank balance, partial property, plant and equipment, partial right-of-use assets, partial financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income; and

- All liabilities are allocated to reportable segments, other than partial bank and other borrowings, partial trade payables, partial accruals and other payables and partial lease liabilities.

(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 and right-of-use assets ("**specified non-current assets**"):

	Revenue from external customers		**Specified non-current assets**	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
PRC (Place of domicile)	**221,890**	224,097	**322,316**	162,621
America	**248,411**	286,183	**–**	–
Europe	**11,657**	15,901	**–**	–
Asia Pacific	**36,558**	29,196	**–**	–
	518,516	555,377	**322,316**	162,621

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

(d) Major customers

No single customers contributed 10 per cent or more to the Group's revenue for both years.

5. OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
Mould sales	**347**	8
Sample income	**66**	807
Services income	**268**	3,148
Interest income	**2,171**	9,284
Gross rentals from investment properties	**1,502**	1,668
Gain on deregistration of subsidiaries	**3,744**	–
Others	**77**	943
	8,175	15,858

6. OTHER GAINS OR LOSSES, NET

	2024	2023
	RMB'000	*RMB'000*
Exchange (loss)/gain, net	**(345)**	91
Fair value loss on investment properties	**(39)**	(2,013)
(Loss)/gain on disposal of property, plant and equipment	**(363)**	3,420
Government subsidies *(Note)*	**2,483**	1,834
Loss on lease modification	**(40)**	–
Fair value gain/(loss) on financial assets at fair value through profit of loss	**7,335**	(123)
Others	**1,741**	(423)
	10,772	2,786

Note: During the Year, the Group recognised RMB2,483,000 (2023: RMB1,834,000) as government subsidies for high and new technology on manufacturing of electronic and power related automotive parts.

7. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interests on bank and other borrowings	**20,958**	25,096
Interests on lease liabilities	**191**	117
	21,149	25,213

8. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories*	**431,259**	459,809
Depreciation of property, plant and equipment	**11,036**	8,487
Depreciation of right-of-use assets	**4,557**	2,185
Written down of inventories	**2,008**	4,601
Research and development expenses	**14,571**	11,390
Allowance for expected credit losses on trade receivables, and other receivables, net	**30,689**	64,736
Auditors' remuneration		
– audit services	**2,600**	2,600
– non-audit service	**–**	190
Gross rentals from investment properties	**(1,502)**	(1,668)
Less: Direct operating expenses incurred	**11**	10
	(1,491)	(1,658)
Employee benefit expenses (including directors' remuneration)		
Salaries and allowances	**43,932**	36,333
Retirement scheme contributions	**5,683**	5,982
Other benefits	**3,172**	3,152
Total employee benefit expenses	**52,787**	45,467

9. INCOME TAX

(a) Income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2024	2023
	RMB'000	*RMB'000*
Current Tax		
Provision for the year	**10,900**	5,511
Over-provision in respect of prior year	**(409)**	(1,030)
	10,491	4,481
Deferred tax		
Origination and reversal of temporary differences, net	**(9,965)**	246
	526	4,727

(b) No provision for Hong Kong profit tax has been made as the Group had no taxable profits arising in Hong Kong for the years ended 31 December 2024 and 2023. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant jurisdictions.

The applicable PRC income tax rate is 25% (2023: 25%) for the year. One major PRC subsidiary of the Company renewed the qualification of high and new technology enterprise in the PRC and is entitled to a preferential income tax rate of 15% (2023: 15%) for three years from 12 November 2023.

10. DIVIDEND

The Board did not recommend any payment of a dividend for the year (2023: Nil).

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(67,923)**	(87,320)

	2024	2023
	'000	*'000*
Number of shares		
Weighted average number of shares for the purpose of calculating basic and diluted loss per share	**17,216,948**	17,216,948

For the years ended 31 December 2024 and 2023, the computation of diluted loss per share were the same as the basic loss per share as there were no potential dilutive ordinary shares outstanding during the years.

12. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**98,571**	119,892
Less: allowance for ECL	**(18,654)**	(14,473)
	79,917	105,419

The credit period to the Group's customers ranged from 0 to 360 days.

The ageing analysis of trade receivables, net of allowance for ECL presented based on invoice date is as follows:

	2024	2023
	RMB'000	*RMB'000*
Current to 30 days	**60,069**	49,070
31 to 60 days	**13,518**	27,135
61 to 90 days	**3,176**	13,705
Over 90 days	**3,154**	15,509
	79,917	105,419

13. TRADE PAYABLES

The ageing analysis of trade payables presented based on invoice date is as follows:

	2024	2023
	RMB'000	*RMB'000*
Current to 30 days	**73,343**	73,604
31 to 60 days	**17,977**	15,645
61 to 90 days	**13,052**	20,164
Over 90 days	**126,760**	119,533
	231,132	228,946

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

14. DEFERRED INCOME

In November 2024, 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 a land expropriation compensation agreement with Qingpu Industrial Park Development (Group) Ltd.* (上海青浦工業園區發展(集團)有限公司) ("**Qingpu Industrial Park Group**"), a government-owned entity. This agreement pertains to the expropriation of certain non-residential properties.

During the year, New Focus Lighting & Power (Shanghai) received approximately RMB66,399,000 as part of the government grant included in the compensation agreement. The overall compensation amounts to approximately RMB370 million. The receipt of compensation is based on its relocation progress, along with severance payments for its employees, which will be confirmed in accordance with the relevant governmental policies. New Focus Lighting & Power (Shanghai) shall receive compensation in full within 30 working days after it has completed the relevant procedures for the change or cancellation of water, electricity, coal, gas, telecommunications and other necessary procedures, and vacates the properties for the handover procedure, in addition to providing the original ownership certificates for the properties. The expected completion for the handover is by the end of December 2026, with potential extensions allowed under specific conditions.

15. SHARE CAPITAL

	2024		2023	
	Number of shares	**Amount**	Number of shares	Amount
	'000	***HK$'000***	*'000*	*HK$'000*
Authorised				
Ordinary shares of HK$0.1 each	**20,000,000**	**2,000,000**	20,000,000	2,000,000

	2024			2023		
	Number of shares	**Amount**	**Amount**	Number of shares	Amount	Amount
	'000	***HK$'000***	***RMB'000***	*'000*	*HK$'000*	*RMB'000*
Issued and fully paid:						
At the beginning of the year	**17,216,948**	**1,721,695**	**1,490,706**	17,216,948	1,721,695	1,490,706
At the end of the year	**17,216,948**	**1,721,695**	**1,490,706**	17,216,948	1,721,695	1,490,706

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

During the Year, the Group focused 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. The Group also commenced its hydrogen-fuel cell related business in the second half of 2023, which mainly provides hydrogen-related products and solutions to governments and customers in the field for 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 Year.

RESULTS HIGHLIGHTS

Revenue

During the Year, the consolidated revenue of the Group was approximately RMB518,516,000 (2023: RMB555,377,000), representing a decrease of approximately 6.64%.

The consolidated revenue from the manufacturing and trading business of the Group during the Year was approximately RMB382,782,000 (2023: RMB412,043,000), representing a decrease of approximately 7.10%, which was mainly attributable to the decline in export sales revenue resulting from the impact of US tariff policy on the export business of the manufacturing industry during the Year.

The consolidated revenue from the Group's automobile dealership and services business during the Year amounted to approximately RMB135,734,000 (2023: RMB143,334,000), representing a decrease of approximately 5.30%, which was mainly attributable to the Group downsizing its operations and the closure of outlets without brand licenses and comprehensive retail stores. In addition, as a result of the intense competition in the passenger vehicles sales market during the Year, the price for new energy vehicles significantly decreased, resulting in a decrease in the sales of fuel vehicles.

Gross profit and gross profit margin

The consolidated gross profit for the Year was approximately RMB87,257,000 (2023: RMB95,568,000), representing a decrease of approximately 8.70%. The gross profit margin decreased from 17.21% to 16.83%.

During the Year, the gross profit of the Group's manufacturing and trading business was approximately RMB78,813,000 (2023: RMB88,009,000), representing a decrease of approximately 10.45%. The gross profit margin decreased from approximately 21.36% to approximately 20.59%. The decrease in gross profit was mainly attributable to the decrease in consolidated revenue for the Year as compared with 2023. The decrease in gross profit margin was primarily attributable to the decrease in selling price of products as a result of the intense competition in the domestic market during the Year.

During the Year, the gross profit of the Group's automobile dealership and services business was approximately RMB8,444,000 (2023: RMB7,559,000), representing an increase of approximately 11.71%. The gross profit margin increased from approximately 5.27% to approximately 6.22%. The increase in gross profit and gross profit margin was primarily due to the provision of various policy support and capital subsidies in relation to various sales promotion by government departments and automobile manufacturers during the Year.

Other income and gains and losses

Other income for the Year was approximately RMB8,175,000 (2023: RMB15,858,000). The decrease in other income was mainly attributable to the decrease in interest income of approximately RMB4,430,000 from the loans granted by the Group to JingHang DaYun (Beijing) Technology Co., Ltd.* (京行大運（北京）科技有限公司, "**Jinghang Dayun**") during the Year as compared with 2023. In addition, the Group received revenue for management and consultation fees of approximately RMB2,728,000 from the provision of supply chain management services to upstream and downstream enterprises in 2023, while no such revenue was recorded for the Year.

Other gains or losses, net for the Year was approximately RMB10,772,000 (2023: RMB2,786,000). The increase in other gains or losses was mainly attributable to the gain in fair value change of approximately RMB14,924,000 for the Year as a result of the Company's investment of 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**") on 3 April 2024. In addition, the convertible bonds held by the Company recorded a gain in fair value change of approximately RMB31,000 in 2023 and a loss in fair value change of approximately RMB7,528,000 for the Year, making a difference of approximately RMB7,559,000. Please refer to the section headed "Investment in Shihezi Yike" under "Significant Investments" in this announcement for further details of the investment in Shihezi Yike.

Expenses

Net allowance for expected credit losses on trade receivables and other receivables for the Year was approximately RMB30,689,000 (2023: RMB64,736,000). The decrease in impairment losses is mainly due to the recognition of a significant amount of expected credit loss provision in 2023 for receivables from former connected persons, which are part of the Group's other receivables, resulting from a decline in the fair value of the equity shares and creditors' rights used as collateral.

The distribution costs for the Year were approximately RMB34,862,000 (2023: RMB37,709,000), representing a decrease of approximately 7.55%, which was mainly attributable to the decrease in salaries and bonuses for sales personnel as a result of the decrease in revenue, and the strict control of marketing expenses during the Year.

The administrative expenses for the Year were approximately RMB85,298,000 (2023: RMB65,621,000), representing an increase of approximately 29.99%, which was mainly due to the Group's employment of several new management personnel and the increase in depreciation and amortization expenses for property, plant and equipment and right-of-use assets.

The finance costs for the Year amounted to approximately RMB21,149,000 (2023: RMB25,213,000), representing a decrease of approximately 16.12%, which was mainly attributable to the decrease in the weighted average borrowing rate of bank and other borrowings for the Year as compared with 2023.

Loss before taxation

The loss before taxation of the Group for the Year was approximately RMB71,316,000 (2023: RMB83,669,000). The decrease in loss was mainly due to the fact that although the gross profit has decreased by approximately RMB8,311,000 and the administrative expenses have increased by approximately RMB19,677,000, other income and other gains or losses, net have increased by approximately RMB7,987,000 in total, and the allowance for expected credit losses on trade receivables and other receivables have decreased by approximately RMB34,047,000 for the Year as compared with 2023.

Taxation

The income tax expenses for the Year were approximately RMB526,000 (2023: RMB4,727,000).

Loss attributable to equity shareholders of the Company

The loss attributable to equity shareholders of the Company for the Year was approximately RMB67,923,000 (2023: RMB87,320,000). The decrease in loss was mainly due to the decrease in provision for expected credit loss on trade receivables and other receivables for the Year as compared with 2023. The loss per share for the Year was approximately RMB0.39 cents (2023: RMB0.51 cents).

Financial Position and Liquidity

The Group continued to maintain a stable financial position during the Year and the liquidity of assets of the Group remained healthy.

Non-current assets were approximately RMB855,165,000 as at 31 December 2024 (31 December 2023: RMB770,392,000).

Net current liabilities were approximately RMB63,371,000 as at 31 December 2024 (31 December 2023: net current assets of RMB29,210,000), with a current ratio of 0.91 (31 December 2023: 1.04).

Gearing ratio (calculated by dividing total liabilities by total assets) was approximately 56.69% as at 31 December 2024 (31 December 2023: 52.01%).

As at 31 December 2024, the total bank and other borrowings of the Group were approximately RMB305,141,000 (31 December 2023: RMB304,110,000), of which approximately 22.51% were made in HKD and approximately 77.49% were made in RMB. All of the borrowings are subject to fixed interest rates, of which approximately RMB248,479,000 shall be repayable within one year, and approximately RMB56,662,000 shall be repayable after one year but within five years.

The Group's need for borrowings was generally stable during the Year. As at 31 December 2024, the committed borrowing facilities available to but not utilized by the Group amounted to approximately RMB14,419,000.

MATERIAL LOAN TRANSACTIONS

A maximum of RMB505,005,000 loan

As disclosed in the announcement dated 30 March 2023 and the circular dated 27 July 2023 of the Company, New Focus Lighting and Power Technology (Qingdao) Co., Ltd. ("**New Focus Lighting & Power (Qingdao)**") (as lender), a wholly-owned subsidiary of the Company, and Jinghang Dayun (as borrower) entered into a loan agreement (the "**Loan Agreement**") on 15 December 2022, pursuant to which New Focus Lighting & Power (Qingdao) had agreed to grant an unsecured loan of RMB205,005,000 to Jinghang Dayun for a term of three months from the date of the Loan Agreement at an interest rate of 5% per annum. On 31 December 2022, New Focus Lighting & Power (Qingdao) and Jinghang Dayun entered into an extension agreement (the "**Extension Agreement**") to extend the maturity date of the loan to one year from the date of the Extension Agreement (i.e. 31 December 2023).

On 3 January 2023, New Focus Lighting & Power (Qingdao) (as lender) entered into a second loan agreement with Jinghang Dayun (as borrower), pursuant to which New Focus Lighting & Power (Qingdao) agreed to grant a further unsecured loan of not more than RMB300,000,000 to Jinghang Dayun for a term commencing from the date of signing the agreement until 30 April 2023, with an interest rate of 5% per annum. As of 31 December 2024, the Company had recovered the entire principal amount of such loan.

RECOVERY OF RECEIVABLES

Recovery of Lifeng Dingsheng Receivables

Deposits, prepayments and other receivables (the "**Receivables**") mainly included an aggregate amount of approximately RMB560,815,000 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 31 December 2024. 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 Fujian Nanping Receivable

On 20 September 2018, the Company (as lender) and Fujian Nanping Dafeng Electric Co., Ltd. (福建南平大豐電器有限公司) ("**Fujian Nanping**") entered into a loan agreement to provide an unsecured loan in the principal amount of RMB3,000,000 to Fujian Nanping for a term of one year with an interest rate of 5% per annum, and the repayment date was subsequently extended to 21 September 2022, but Fujian Nanping still failed to make the repayment on time. On 28 July 2023, the Company entered into a settlement agreement with Fujian Nanping. As of 31 December 2024, Fujian Nanping has repaid the principal of the loan in full in accordance with the terms of the settlement agreement.

Recovery of Beijing Aiyihang Receivable

On 22 November 2019, New Focus Lighting & Power (Shanghai) 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**") (the "**Equity Transfer Agreement**"). 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) has applied to the court for enforcement of the arbitral award as the above repayment has 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 Park Development (Group) 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 31 December 2024, 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 Year. 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. As such, the Group's cash and cash equivalents and borrowings are denominated in RMB and USD.

As at 31 December 2024, the total assets of the Group were approximately RMB1,514,432,000 (31 December 2023: RMB1,479,781,000), which included: (1) share capital of approximately RMB1,490,706,000 (31 December 2023: approximately RMB1,490,706,000); (2) reserves of approximately RMB(834,754,000) (31 December 2023: approximately RMB(780,560,000)); and (3) liabilities of approximately RMB858,480,000 (31 December 2023: RMB769,635,000).

FINANCIAL GUARANTEES AND PLEDGE OF ASSETS

As at 31 December 2024, the Group's net book values of inventory, investment properties, property, plant and equipment, interests in associates, and right-of-use assets pledged totaled approximately RMB153,195,000 (31 December 2023: RMB142,385,000), of which approximately RMB126,709,000 (31 December 2023: RMB142,385,000) was pledged as security for the Group's bank and other borrowings, and approximately RMB26,486,000 (31 December 2023: Nil) was pledged as security for the Group's associates.

ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Year, save for the matters regarding the investment in Shihezi Yike and the establishment of New Focus Newtec (Shenzhen) Technology Co., Ltd.* (新焦點紐泰克(深圳)科技有限公司) ("**New Focus Newtec (Shenzhen)**") as disclosed in the section headed "Significant Investments" under "Management Discussion and Analysis" of this announcement, the Group did not have any material acquisitions and disposal of subsidiaries, associates or joint ventures during the Year.

SIGNIFICANT INVESTMENTS

As at the date of this announcement, the Group had no specific plans for material future investments or acquisitions of capital assets. The significant investments of the Group and their post-investment status during the Year are as follows:

Intended Acquisition of Equity Interest in a Domestic Chinese Company

On 15 August 2024, New Focus Technology (Beijing) Co., Ltd.* (紐福克斯科技(北京)有限公司) ("**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 has not yet returned 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. The purpose of Tianjin Hongzhuo is to primarily invest 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 31 December 2024, the fair value of the investment of New Focus (Beijing) in Tianjin Hongzhuo was approximately RMB111,300,000, representing approximately 7.35% 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-investment 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 business of the project mainly includes 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, approximately 98% of the construction of the main structure of the pipelines of the project had been completed, and the construction is expected to be completed by 31 May 2025. The completion of the project has been delayed due to the longer construction period caused by changes in the roadmap and design criteria during the construction process. The project company has been accelerating the remaining construction works to complete the construction as soon as possible. Given that the project is still under construction, investment income and operating results have not yet been recorded during the Year.

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) (an indirect non wholly-owned subsidiary of the Company) ("**Jinyi**", 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, including its installation, debugging, training and guidance services (the "**Membrane Electrode Production Line**", and collectively with the Production Line, the "**Production Lines**") at no extra cost.

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. The relevant project company has commenced the trial production of the qualified products after the debugging and acceptance thereof.

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, which was 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, a plant under construction of the Industrial Park had already been topped out and the construction of the civil engineering works had been completed. The electrical and mechanical parts of the plant have not yet been completed due to the delay in delivery from the fire services equipment supplier under general contracting of construction, and the plant is expected to be substantially completed on or before 30 June 2025. As of the date of this announcement, based on the Group's production and operational needs, the Group is in the process of finalizing and adjusting the construction plan of 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 way of making a capital contribution of RMB55,000,000 and RMB85,000,000 for approximately 29.03% interests and approximately 44.87% interests 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.

As of 31 December 2024, New Focus (Beijing) and Shenzhen Keshang have completed their capital contributions of RMB55,000,000 and RMB85,000,000, respectively, to Shihezi Yike for indirect investment in Shenzhen Etouch. As at 31 December 2024, the fair value of the investment in Shihezi Yike by New Focus (Beijing) was approximately RMB69,924,000. Please refer to the announcement of the Company dated 3 April 2024 for further details of the investment in Shihezi Yike.

Establishment of New Focus Newtec (Shenzhen)

On 4 September 2024, New Focus Holdings (Beijing) Co., Ltd.* (新焦點控股（北京）有限公司) ("**New Focus Holdings (Beijing)**") (a direct wholly-owned subsidiary of the Company), Mr. Tong Fei (the chairman of the Company and an executive Director) and Shenzhen Keshang established New Focus Newtec (Shenzhen) with a registered capital of RMB10,000,000, of which RMB4,500,000, RMB1,000,000 and RMB4,500,000 shall be contributed by New Focus Holdings (Beijing), Mr. Tong Fei and Shenzhen Keshang, respectively. New Focus Newtec (Shenzhen) is an indirect 45%-owned subsidiary of the Company.

Please refer to the announcement of the Company dated 26 September 2024 for further details of the establishment of New Focus Newtec (Shenzhen).

FUNDS RAISING

Issue of the Bonds

On 11 March 2024, (i) the Board approved the issue of the unlisted and unsecured bonds in the aggregate principal amount of not more than HK$70,000,000 (the "**Bonds**") in one or multiple tranches, in 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 from 11 March 2024 to 10 March 2025. 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, the Bonds with an aggregate principal amount of HK$13,000,000 have been subscribed, of which HK$2,500,000 of the Bonds have been applied for redemption.

Placing of the Convertible Bonds

On 27 June 2024 and 17 July 2024, the Company entered into a placing agreement (the "**Placing Agreement**") and a supplemental placing agreement (the "**Supplemental Placing Agreement**", and collectively with the Placing Agreement, the "**Placing Agreements**") with Kingston Securities Limited (the "**Placing Agent**"), relating to the Placing Agent's placement of the 3-years convertible bonds (the "**Convertible Bonds**"), with an interest rate of 8% per annum, in the aggregate principal amount of up to HK$400,000,000 on a best effort basis to not less than six (6) placees (the "**Placing**"). The initial conversion price is HK$0.145 per conversion share.

As disclosed in the announcement of the Company dated 6 August 2024, as the conditions precedent as set out in the Placing Agreements had not been fulfilled on or before 6 August 2024, the Placing Agreements had lapsed. Please refer to the announcements of the Company dated 27 June 2024, 17 July 2024 and 6 August 2024, respectively, for further details of the Placing.

Use of Proceeds from the Subscription

The Company completed the issue of 10,449,312,134 new shares (with an aggregate nominal value of approximately HK$1,044,931,213) under specific mandate to Daodu (Hong Kong) Holding Limited ("**Daodu (HK)**") at the subscription price of HK$0.059 per subscription share (the "**Subscription**") for an aggregate consideration of HK$616,509,415.906 on 21 December 2022. The closing price of the shares as quoted on 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 respond to 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 of net proceeds allocated *HK$ million (approximate)*	Amount of net proceeds allocated after amendment on 25 September 2023 *HK$ million (approximate)*	Net proceeds utilized during the Year *HK$ million (approximate)*	Net proceeds utilized as of 31 December 2024 *HK$ million (approximate)*	Net proceeds unutilized as of 31 December 2024 *HK$ million (approximate)*	Expected timetable for utilizing the unused proceeds *(Note 1)*
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

	Amount of net proceeds allocated	Amount of net proceeds allocated after amendment on 25 September 2023	Net proceeds utilized during the Year	Net proceeds utilized as of 31 December 2024	Net proceeds unutilized as of 31 December 2024	Expected timetable for utilizing the unused proceeds *(Note 1)*
	HK$ million (approximate)	*HK$ million (approximate)*	*HK$ million (approximate)*	*HK$ million (approximate)*	*HK$ million (approximate)*	
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 contribution 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 yet been 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 mainly 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 risks by making USD or HKD borrowings to mitigate against such exchange risks. As at 31 December 2024, the Group did not borrow in USD borrowings (31 December 2023: nil) and the amount of HKD borrowings was approximately HK$74,191,000 (31 December 2023: HK$61,191,000).

OTHER MATERIAL RISKS AND UNCERTAINTIES

The Group faces other material risks and uncertainties, which mainly include the future development of China's economy and China-US relations. Should China's economy head towards a downturn, consumers will suffer a negative impact on their willingness and ability to purchase new vehicles and automobile-related products and services, which will in turn reduce the operating revenue of the domestic sales of the Group's manufacturing and trading business and automobile dealership and services business. As the US is a major export market for the Group's manufacturing and trading business, the worsening China-US relations will affect the results of the Group's manufacturing and trading business. The Group will pay close attention to the economic trend of China, and address such risks and uncertainties in a timely manner by streamlining staffing and reducing other expenses reasonably to cut costs. Meanwhile, the Group will strive to expand the domestic market for its manufacturing business, so as to reduce the reliance on the export market.

CONTINGENT LIABILITIES

The contingent liabilities of the Group were approximately RMB12,178,000 (31 December 2023: RMB12,178,000) for the Year, which was attributable to the lawsuit filed by a third party against a subsidiary of the Company. For details, please refer to the section headed "Lawsuits" in this announcement.

LAWSUITS

Ningbo Jiche against Inner Mongolia Chuangying

As stated in the Company's announcement 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 breached a 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 payment (calculated based on RMB8,506,800, multiplied by 1.5 times of 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 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 above-mentioned case has been ordered by Hohhot Huimin District People's Court to be transferred to the Beijing Dongcheng District People's Court for trial. The trial time has not yet been fixed, so there is no substantive progress with the case. Owing to the ongoing litigation and the uncertainty regarding the implementation and execution of the post-trial rulings, the principal amount of contingent liabilities that may be caused to the Group as a result of these litigation matters is approximately RMB12,178,000. Please refer to the announcement of the Company dated 5 June 2023 for further details of the lawsuits.

EMPLOYEES AND REMUNERATION POLICY

During the Year, the Group employed a total of 714 full-time employees (31 December 2023: 684), of which 187 (31 December 2023: 142) 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 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.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group has been continuously promoting the establishment and improvement of environment-related management mechanisms and systems. Such systems require all the employees of the Group to comply with the applicable environmental laws and regulations in their daily work. The automobile distribution branches of the Group have obtained approvals from environmental protection authorities prior to the commencement of operations and strictly complied with applicable environmental laws and regulations in the subsequent operations, so as to minimize the damage to the environment. The manufacturing business of the Group proactively incorporates the concept of environmental protection into product design and manufacturing, with a view to providing energy-saving and environmentally friendly products to customers. The Group encourages its employees to save energy and treasure resources.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, save for certain incidents relating to non-compliance of the Listing Rules, the Group complied with the relevant laws and regulations which had a significant impact on the operations of the Group in all material respects, covering various aspects such as labor, fire prevention, environmental protection and product liability, including but not limited to the Law of Environmental Protection of the People's Republic of China (《中華人民共和國環境保護法》), the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評價法》), the Law of Prevention and Control of Noise Pollution of the People's Republic of China (《中華人民共和國噪聲污染防治法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Law on Product Quality of the People's Republic of China (《中華人民共和國產品質量法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) and the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》).

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group attaches great importance to the relationships with its employees, customers, suppliers and other relevant parties given such relationships are key to the Group's sustainable development. The Group adheres to the principles of legality, fairness, reasonableness and mutual benefit in its daily operations and duly handles the relationships with its employees, customers, suppliers and other relevant parties.

INDUSTRIAL DEVELOPMENT, BUSINESS PROGRESS AND OUTLOOK

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 31,436,000 during the Year, representing a year-on-year increase of approximately 4.5%, of which the sales volume of passenger vehicles amounted to approximately 27,563,000, representing a year-on-year increase of approximately 5.8%. Although the automobile sales market demonstrated outstanding performance in the first half of 2024, the automobile sales market experienced a slowdown in growth in the second half of the year due to uncertainties in global economic development and fluctuations in consumer confidence. The industry in which the Group operates still faces several challenges, including multiple pressures brought about from the sustainability of China's economic recovery, insufficient consumer confidence and uncertainty of the global trading environment.

During the Year, the hydrogen energy industry in China has made significant progress driven by supporting policies and market demand. According to the data from National Energy Administration, by the end of 2024, there has been approximately 1,200 hydrogen refueling stations completed in China, representing a year-on-year increase of approximately 40%. The sales volume of fuel cell electric vehicles (FCEVs) also achieved rapid growth, with annual sales volume reaching approximately 15,000 units, representing a year-on-year increase of approximately 50%. This growth is mainly attributable to the in-depth implementation of the "Hydrogen Industry Medium and Long-term Development Plan (2021-2035)" (《氫能產業發展中長期規劃(2021-2035)》), and proactive deployment and financial support of local governments for the hydrogen energy industry chain. In addition, technological advancements and large-scale production have further reduced the cost of fuel cell systems, with the average cost of fuel cell systems in 2024 decreasing by approximately 15% as compared to 2023. With the continuous improvement of hydrogen infrastructure and ongoing technological breakthroughs, the prospects for the application of hydrogen energy in transportation, industry, and energy storage are becoming increasingly promising, and it is expected that the hydrogen energy industry will continue to maintain a high-speed growth trend in the coming years.

Automobile Dealership and Services Business

In 2024, after the withdrawal of the authorization of the automotive brands under the Group's dealership, our original customer base continued to diminish, and business related to the sales of new vehicles has come to a halt in most regions, 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.

The Group mainly implemented the following operating strategies for the automobile dealership and services business in 2024:

First, we converted some full-time employees to temporary employees to reduce staffing costs of the Group.

Second, we resolved outstanding issues of outlets with no brand license.

Manufacturing and Trading Business

In 2024, the operating revenue of the manufacturing and trading business of the Group decreased by approximately 7% as compared to that for the corresponding period of 2023. Revenue from the export business decreased by approximately 10% in RMB as compared to that for the corresponding period of 2023, as more and more foreign customers were seeking non-PRC manufacturing suppliers against the backdrop of the intensifying deterioration in Sino-US relations. Revenue from the domestic trade business increased by approximately 7% as compared to that for the corresponding period of 2023. The Group managed to maintain the overall scale of export orders by continuously identifying appropriate OEM manufacturers in Vietnam for its manufacturing and trading business, while committed to expanding into the domestic pre-installation 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 2023 mainly due to the lower gross profit margin of the products with the largest sales of domestic trade pre-installation.

The Group has further improved the organizational structure of its manufacturing and trading business by setting up an independent engineering department and newly establishing a laboratory and a new energy power supply team under the R&D department. The newly-established product planning department is also gradually developing a product roadmap to clarify the direction of our future development and the positioning of our business. Through nurturing the pool of R&D professionals and high-caliber talents, the Group has gradually expanded its product portfolio under research and development of its manufacturing and trading business from 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 will continue to promote normalized management. The "Manufacturing Execution System" is also implemented in phases to meet new industrial requirements and further strengthen the transformation. The Group will continue to enhance its product capacity of its manufacturing and trading business by reducing costs and increasing efficiency to embrace more market opportunities.

The Group will expand its export business into the African and Australian markets for its manufacturing and trading business, and achieve the relevant cooperation and product delivery for mobile energy storage and 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.

As of the date of this announcement, the Group's operating entity in the hydrogen-related industry has substantially completed the construction of the relevant production areas and the production line in relation to the hydrogen-related construction project. Such business segment of the Group has possessed the core technology and equipment manufacturing capabilities of the 180kW hydrogen fuel cell system for vehicles and MW level hydrogen power plant, in which the fuel cell system production line meets the technical requirements of automation, intelligence, network connection, standardization, advanced equipment and energy recycling.

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 products. At the same time, the Group's operating entity in the hydrogen-related industry will continuously be committed to strengthening cooperation with 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 still 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

The Board believes good corporate governance practice is the key to business growth and management of the Group. The Company has applied the Corporate Governance Code (the "**Code**") as set out in Appendix C1 of the Listing Rules throughout the Year. In the opinion of the Board, the Company has fully complied with the code provisions as set out in the Code during the Year, except for the deviations set out below:

Code provision C.2.1 requires that the division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing. Although the division of responsibilities between the chairman and the chief executive officer has not been set out in writing by the Company at the beginning of the Year, based on the close communication between Mr. Tong Fei, the chairman of the Company, and Mr. Zhao Yufeng, the chief executive officer of the Company, the division of responsibilities between them in practice is very clear and therefore the management of the Group will not be affected as a result. Since 28 March 2024, the Company has complied with the relevant regulations by setting out in writing the division of responsibilities between the chairman and the chief executive officer.

Code provision D.2.5 requires that the issuer should have an internal audit function. The Company did not have a specific internal audit function at the beginning of the Year, but instead mainly relied on certain functional departments of the Company to carry out part of the internal audit functions. During the Year, the Company has engaged an independent internal control consultant to conduct an investigation on the Group's internal control and a report was issued by the consultant to the Board for discussion and reference, based on which, relevant internal control systems prepared by functional departments of the Company were approved in January 2024. In addition, the Board and the management also focused on rectification with a view to improving the Company's internal controls as a whole. The Board discussed the necessity of establishing an independent internal audit function, as well as the details of the reporting lines and costs of the internal audit function at the Board meetings held in January 2024. Furthermore, at a meeting held on 28 March 2024, the Board appointed suitable personnel to be in charge of the internal audit in order to establish an internal audit function.

Rules 3.10 and 3.21 of the Listing Rules

Following the resignation of Mr. Huang Bo on 16 August 2024 as an independent non-executive Director, a member of each of the audit committee (the "**Audit Committee**"), the nomination committee and the remuneration committee of the Company, the Company failed to meet the requirements of (i) Rule 3.10(1) of the Listing Rules that the Board must consist of at least three independent non-executive Directors; and (ii) Rule 3.21 of the Listing Rules in relation to the composition of the Audit Committee, namely that the Audit Committee must include at least three non-executive Directors.

Following the subsequent appointment of Ms. Luo Baiyun as an independent non-executive Director on 23 August 2024, the number of the independent non-executive Directors and the members of the Audit Committee have recompiled with the minimum number required under Rules 3.10 and 3.21 of the Listing Rules.

SECURITIES TRANSACTIONS BY 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 and relevant employees as defined in the Model Code. Having made specific enquiry to all Directors by the Company, all Directors confirmed that they had complied with the requirements set out in the Model Code during the Year.

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and discussed internal controls and financial reporting matters and the audited consolidated financial statements for the year ended 31 December 2024. The Audit Committee is of the opinion that the audited consolidated financial statements of the Group for the year ended 31 December 2024 comply with the applicable financial reporting standards and the Listing Rules and that adequate disclosures have been made. The audited annual results of the Group for the year ended 31 December 2024 have been reviewed by the Audit Committee.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the Year (2023: Nil).

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

There were no purchases, sales or redemption of the Company's listed securities by the Company or any of its subsidiaries during the Year.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held on Monday, 30 June 2025 and the notice of annual general meeting will be published in accordance with the requirements under the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Wednesday, 25 June 2025 to Monday, 30 June 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to be entitled to attend the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 24 June 2025.

SCOPE OF WORK OF HLB

The figures in respect of the Group's annual results for the Year as set out in this announcement have been agreed by HLB, to the amounts set out in the Group's audited financial statements for the Year. The work performed by HLB in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance conclusion has been expressed by the HLB on this announcement.

EXTRACT OF INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRSs issued by the International Accounting Standards Board (the "**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to note 2(b) to the consolidated financial statements which indicates that the Group incurred a loss of RMB71,842,000 for the year ended 31 December 2024, and, as of the date, the Group's current liabilities exceeded its current assets by RMB63,371,000. Further, the Group has short-term bank and other borrowings amounting to RMB248,479,000. As at 31 December 2024, the Group had cash and cash equivalents amounting to RMB89,358,000 which is insufficient to fully repay the bank and other borrowings expiring within 12 months. These indicates that the Group's ability to meet these liquidity requirements depends on its ability to generate sufficient net cash inflows from future operations and other sources. As stated in note 2(b), it indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.nfa360.com). The annual report of the Company for the Year containing all the information required by the Listing Rules will be made available on the above websites in due course.

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

Hong Kong, 31 March 2025

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

* *For identification purposes only*