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 2025

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 2025 (the "**Year**") together with the comparative figures for the year ended 31 December 2024 ("**2024**") as follows:

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	4	**585,374**	518,516
Cost of sales and services		**(501,458)**	(431,259)
Gross profit		**83,916**	87,257
Other income	5	**3,942**	8,175
Other gains or losses, net	6	**(16,160)**	10,772
Allowance for expected credit losses on trade receivables and other receivables, net		**(29,992)**	(30,689)
Written down of inventories, net		**(46)**	(2,008)
Distribution costs		**(28,922)**	(34,862)
Administrative expenses		**(111,432)**	(85,298)
Share of results of associates		**(8,337)**	(3,514)
Finance costs	7	**(21,279)**	(21,149)
Loss before taxation	8	**(128,310)**	(71,316)
Income tax expense	9	**(3,696)**	(526)
Loss for the year		**(132,006)**	(71,842)
Other comprehensive income/(loss) for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**473**	1,348
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		**(35,040)**	(28,700)
Other comprehensive loss for the year, net of tax		**(34,567)**	(27,352)
Total comprehensive loss for the year		**(166,573)**	(99,194)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*
For the year ended 31 December 2025

	Notes	**2025** *RMB'000*	2024 *RMB'000*
Loss for the year attributable to			
– Equity shareholders of the Company		**(128,355)**	(67,923)
– Non-controlling interests		**(3,651)**	(3,919)
		(132,006)	(71,842)
Total comprehensive loss attributable to			
– Equity shareholders of the Company		**(162,922)**	(95,275)
– Non-controlling interests		**(3,651)**	(3,919)
		(166,573)	(99,194)
Loss per share:			
– Basic and diluted (RMB cents)	*11*	**(0.75)**	(0.39)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Notes	**2025** **RMB'000**	2024 *RMB'000*
Non-current assets			
Property, plant and equipment		**371,432**	249,558
Right-of-use assets		**31,898**	35,835
Prepayment for property, plant and equipment and right-of-use assets		**252,584**	292,136
Investment properties		**36,389**	36,923
Deferred tax assets		**9,960**	13,034
Interests in associates		**27,949**	41,286
Financial assets at fair value through profit or loss		**58,620**	75,093
Financial assets at fair value through other comprehensive income		**76,260**	111,300
		865,092	855,165
Current assets			
Inventories		**132,605**	111,617
Trade receivables	*12*	**98,051**	79,917
Deposits, prepayments and other receivables		**351,026**	378,375
Cash and cash equivalents		**31,110**	89,358
		612,792	659,267
Current liabilities			
Trade payables	*13*	**241,886**	231,132
Accruals and other payables		**213,275**	200,965
Contract liabilities		**23,104**	23,087
Lease liabilities		**4,323**	2,998
Tax payable		**8,500**	15,977
Bank and other borrowings		**418,743**	248,479
		909,831	722,638
Net current liabilities		**(297,039)**	(63,371)
Total assets less current liabilities		**568,053**	791,794

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*
At 31 December 2025

	Notes	**2025** **RMB'000**	2024 *RMB'000*
Non-current liabilities			
Lease liabilities		**–**	3,300
Deferred tax liabilities		**9,401**	9,481
Deferred income		**66,399**	66,399
Bank and other borrowings		**4,969**	56,662
		80,769	135,842
Net assets		**487,284**	655,952
Capital and reserves			
Share capital	*14*	**1,490,706**	1,490,706
Reserves		**(1,153,525)**	(990,603)
Total equity attributable to equity shareholders of the Company		**337,181**	500,103
Non-controlling interests		**150,103**	155,849
Total equity		**487,284**	655,952

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 Standard ("**IFRS**"), which collective term includes all applicable individual IFRS Accounting 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 IFRS Accounting Standards 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

The Group incurred a net loss of approximately RMB132,006,000 during the year ended 31 December 2025. As at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB297,039,000. The Group had total interest-bearing bank and other borrowings of approximately RMB423,712,000, out of which approximately RMB418,743,000 will be due for repayment within the next twelve months and approximately RMB100,711,000 of payments of principal and/or interest were defaulted as at year end, while the Group had unrestricted cash and cash equivalents of approximately RMB31,110,000 only. These events and conditions, along with other matters as set forth herein, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

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 near future.

(iii) Renewal and Extension of Existing Bank Borrowings

The Group has been and will continue to actively negotiate with banks for renewal and extension of existing bank borrowings that will become due during the next twelve months after 31 December 2025. Discussions regarding the renewal and extension of existing bank borrowings as well as new bank borrowings are on-going but no binding agreements have been entered into.

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 2025. 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 IFRS ACCOUNTING STANDARDS

Amendments to IAS 21	Lack of Exchangeability

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 IFRS Accounting Standards in issue but not yet effective

The Group has not early adopted the following new and amendments to IFRS Accounting Standards 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[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

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 2026.
3 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 IFRS Accounting Standards 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:

	2025	2024
	RMB'000	*RMB'000*
Recognised at a point in time:		
Sales of goods	**570,963**	502,071
Services income	**14,411**	16,445
	585,374	518,516

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	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Segment revenue	**450,191**	382,782	**135,183**	135,734	**–**	–	**585,374**	518,516
Reportable segment results	**(11,184)**	(18,198)	**(32,083)**	(19,477)	**(12,421)**	(10,938)	**(55,688)**	(48,613)
Interest income	**759**	1,679	**–**	4	**–**	10	**759**	1,693
Unallocated interest income							**42**	478
Total interest income							**801**	2,171
Interest expenses	**(7,937)**	(7,936)	**(8,968)**	(7,766)	**(172)**	(51)	**(17,077)**	(15,753)
Unallocated interest expenses							**(4,202)**	(5,396)
Total interest expenses							**(21,279)**	(21,149)
Allowance for expected credit losses on trade receivables, deposits and other receivables, net	**(4,933)**	(14,609)	**(23,980)**	(16,454)	**(285)**	(765)	**(29,198)**	(31,828)
Unallocated allowance for expected credit losses on trade receivables, deposits and other receivables, net							**(794)**	1,139
							(29,992)	(30,689)
Depreciation and amortisation charges	**(12,826)**	(10,204)	**(92)**	(121)	**(5,381)**	(6)	**(18,299)**	(10,331)
Reportable segment assets	**664,155**	697,123	**332,470**	344,900	**300,975**	254,215	**1,297,600**	1,296,238
Additions to capital expenditure	**11,930**	19,143	**152**	455	**127,574**	151,060	**139,656**	170,658
Reportable segment liabilities	**569,643**	462,353	**310,444**	287,822	**8,273**	4,862	**888,360**	755,037

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

	2025 *RMB'000*	2024 *RMB'000*
Loss before taxation		
Reportable segment loss	**(55,688)**	(48,613)
Unallocated other income and gains or losses, net	**(16,531)**	13,419
Unallocated allowance for expected credit losses on trade receivables, deposits, and other receivable, net	**(794)**	1,139
Unallocated corporate expenses	**(51,095)**	(31,865)
Unallocated finance costs	**(4,202)**	(5,396)
Consolidated loss before taxation	**(128,310)**	(71,316)
Assets:		
Reportable segment assets	**1,297,600**	1,296,238
Unallocated corporate assets	**180,284**	218,194
Consolidated total assets	**1,477,884**	1,514,432
Liabilities:		
Reportable segment liabilities	**888,360**	755,037
Unallocated corporate liabilities	**102,240**	103,443
Consolidated total liabilities	**990,600**	858,480

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**	
	2025 *RMB'000*	2024 *RMB'000*	**2025** *RMB'000*	2024 *RMB'000*
PRC (Place of domicile)	**291,854**	221,890	**439,719**	322,316
America	**224,173**	248,411	**–**	–
Europe	**8,086**	11,657	**–**	–
Asia Pacific	**61,261**	36,558	**–**	–
	585,374	518,516	**439,719**	322,316

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

(d) Major customers

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

5. OTHER INCOME

	2025	2024
	RMB'000	*RMB'000*
Mould sales	**481**	347
Sample income	**150**	66
Services income	**856**	268
Interest income	**801**	2,171
Gross rentals from investment properties	**1,643**	1,502
Gain on deregistration of subsidiaries	**–**	3,744
Others	**11**	77
	3,942	8,175

6. OTHER GAINS OR LOSSES, NET

	2025	2024
	RMB'000	*RMB'000*
Exchange gain/(loss), net	**1,990**	(345)
Fair value loss on investment properties	**(534)**	(39)
Gain/(loss) on disposal of property, plant and equipment	**95**	(363)
Government subsidies *(Note)*	**2,322**	2,483
Impairment loss recognised in respect of investment in an associate	**(4,800)**	–
Loss on lease modification	**–**	(40)
Fair value (loss)/gain on financial assets at fair value through profit of loss	**(16,473)**	7,335
Others	**1,240**	1,741
	(16,160)	10,772

Note: During the Year, the Group recognised RMB2,322,000 (2024: RMB2,483,000) as government subsidies for high and new technology on manufacturing of electronic and power related automotive parts.

7. FINANCE COSTS

	2025	2024
	RMB'000	*RMB'000*
Interests on bank and other borrowings	**21,069**	20,958
Interests on lease liabilities	**210**	191
	21,279	21,149

8. LOSS BEFORE TAXATION

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

	2025	2024
	RMB'000	*RMB'000*
Cost of inventories	**501,458**	431,259
Depreciation of property, plant and equipment	**16,532**	11,036
Depreciation of right-of-use assets	**4,509**	4,557
Written down of inventories	**46**	2,008
Research and development expenses	**21,577**	14,571
Allowance for expected credit losses on trade receivables, and other receivables, net	**29,992**	30,689
Auditors' remuneration		
– audit services	**2,600**	2,600
Gross rentals from investment properties	**(1,643)**	(1,502)
Less: Direct operating expenses incurred	**12**	11
	(1,631)	(1,491)
Employee benefit expenses (including directors' remuneration)		
Salaries and allowances	**50,947**	43,932
Retirement scheme contributions	**7,424**	5,683
Other benefits	**4,077**	3,172
Total employee benefit expenses	**62,448**	52,787

9. INCOME TAX

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

	2025	2024
	RMB'000	*RMB'000*
Current Tax		
Provision for the year	**654**	10,900
Over-provision in respect of prior year	**47**	(409)
	701	10,491
Deferred tax		
Origination and reversal of temporary differences, net	**2,995**	(9,965)
	3,696	526

(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 2025 and 2024. 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% (2024: 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% (2024: 15%) for three years from 12 November 2023.

10. DIVIDEND

The Board did not recommend any payment of a dividend for the year (2024: 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:

	2025	2024
	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	**(128,355)**	(67,923)

	2025	2024
	'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 2025 and 2024, 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

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**116,961**	98,571
Less: allowance for ECL	**(18,910)**	(18,654)
	98,051	79,917

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:

	2025	2024
	RMB'000	*RMB'000*
Current to 30 days	**80,525**	60,069
31 to 60 days	**16,404**	13,518
61 to 90 days	**633**	3,176
Over 90 days	**489**	3,154
	98,051	79,917

13. TRADE PAYABLES

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

	2025	2024
	RMB'000	*RMB'000*
Current to 30 days	**67,412**	73,343
31 to 60 days	**24,049**	17,977
61 to 90 days	**13,961**	13,052
Over 90 days	**136,464**	126,760
	241,886	231,132

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

14. SHARE CAPITAL

	2025		2024	
	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

	2025			2024		
	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. 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 during the Year.

RESULTS HIGHLIGHTS

Revenue

The consolidated revenue of the Group for the Year was approximately RMB585,374,000 (2024: RMB518,516,000), representing an increase of approximately 12.89%.

The consolidated revenue from the manufacturing and trading business of the Group for the Year was approximately RMB450,191,000 (2024: RMB382,782,000), representing an increase of approximately 17.61%, which 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 Year, 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 for the Year amounted to approximately RMB135,183,000 (2024: RMB135,734,000), representing a decrease of approximately 0.41%, which was mainly attributable to the decrease in selling price of merchandise as a result of the intensified competition in the market.

Gross profit and gross profit margin

The consolidated gross profit for the Year was approximately RMB83,916,000 (2024: RMB87,257,000), representing a decrease of approximately 3.83%. The gross profit margin decreased from 16.83% to 14.34%.

The gross profit of the Group's manufacturing and trading business for the Year was approximately RMB76,947,000 (2024: RMB78,813,000), representing a decrease of approximately 2.37%. The gross profit margin decreased from approximately 20.59% to approximately 17.09%. The decrease in gross profit and gross profit margin was mainly attributable to changes in customer and product mix, resulting in a decline in the proportion of sales revenue from products with higher gross profit margins, and a relatively low gross profit margin on the products sold to new customers.

The gross profit of the Group's automobile dealership and services business for the Year was approximately RMB6,969,000 (2024: RMB8,444,000), representing a decrease of approximately 17.47%. The gross profit margin decreased from approximately 6.22% to approximately 5.16%. The decrease in gross profit and 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 Year was approximately RMB3,942,000 (2024: RMB8,175,000). The decrease in other income was primarily because the Group recorded a gain of approximately RMB3,744,000 from the deregistration of a subsidiary in 2024, with no such gain recorded for the Year.

Other gains or losses, net for the Year was a loss of approximately RMB16,160,000 (2024: gain of RMB10,772,000). The turnaround from gain to loss was mainly attributable to the loss in fair value change of approximately RMB14,028,000 for the Year 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, compared to the gain in fair value change of approximately RMB14,924,000 in 2024, making a difference of approximately RMB28,952,000. In addition, the convertible bonds held by the Company recorded a loss in fair value change of approximately RMB2,445,000 for the Year, representing a decrease in loss by approximately RMB5,083,000 compared to that of the corresponding period of 2024. Please refer to "Investment in Shihezi Yike" under the section headed "Significant Investments" in this announcement for further details of the investment in Shihezi Yike.

Impairment losses

Net allowance for expected credit losses on trade receivables and other receivables for the Year was approximately RMB29,992,000 (2024: RMB30,689,000). The impairment losses for the Year were primarily attributable to the substantial allowance for expected credit loss for the Year on amounts due from former related parties included in the Group's other receivables, which were secured by the equity shares and creditors' rights to which the fair value of those collateral decreased.

Expenses

The distribution costs for the Year were approximately RMB28,922,000 (2024: RMB34,862,000), representing a decrease of approximately 17.04%, which was mainly attributable to the strict control of marketing expenses during the Year.

The administrative expenses for the Year were approximately RMB111,432,000 (2024: RMB85,298,000), representing an increase of approximately 30.64%. The increase in the administrative expenses of the Group was mainly attributable to (a) an increase in relevant expenditure on personnel expenses, R&D consumables and equipment investments during the transition of the Group's manufacturing automotive electronics business towards new energy products; (b) the incurrence of start-up costs for the Group's hydrogen energy business; and (c) the incurrence of corresponding intermediary service fees for advancing financing and investment matters for the Year.

The finance costs for the Year were approximately RMB21,279,000 (2024: RMB21,149,000), representing an increase of approximately 0.61%.

Loss before taxation

The loss before taxation of the Group for the Year was approximately RMB128,310,000 (2024: RMB71,316,000). The increase in loss was mainly due to the difference of approximately RMB26,932,000 from the turnaround from gains to losses in other gains or losses, net, and the increase in administrative expenses of approximately RMB26,134,000 for the Year as compared with 2024.

Taxation

The income tax expenses for the Year were approximately RMB3,696,000 (2024: RMB526,000).

Loss attributable to equity shareholders of the Company

The loss attributable to equity shareholders of the Company for the Year was approximately RMB128,355,000 (2024: RMB67,923,000). The increase in loss was mainly due to the turnaround from gains to losses in other gains or losses, net, and the increase in administrative expenses as compared with 2024. The loss per share for the Year was approximately RMB0.75 cents (2024: RMB0.39 cents).

Financial Position and Liquidity

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

Non-current assets were approximately RMB865,092,000 as at 31 December 2025 (31 December 2024: RMB855,165,000).

Net current liabilities were approximately RMB297,039,000 as at 31 December 2025 (31 December 2024: RMB63,371,000), with a current ratio of 0.67 (31 December 2024: 0.91). The increase in the net current liabilities was primarily due to a reduction in operating cash reserves and a rise in working capital requirements during the Year. To maintain daily operating cashflow, short-term financing and operational liabilities increased accordingly.

Gearing ratio (calculated by dividing total liabilities by total assets) was approximately 67.03% as at 31 December 2025 (31 December 2024: 56.69%).

As at 31 December 2025, the total bank and other borrowings of the Group were approximately RMB423,712,000 (31 December 2024: RMB305,141,000), of which approximately 1.89% were made in USD, approximately 13.04% were made in HKD and approximately 85.07% were made in RMB. All of the borrowings are subject to fixed interest rates, of which approximately RMB418,743,000 shall be repayable within one year, and approximately RMB4,969,000 shall be repayable after one year but within five years.

As at 31 December 2025, the committed borrowing facilities available to but not utilized by the Group amounted to approximately RMB13,161,000.

COLLECTION OF RECEIVABLES

Recovery of Lifeng Dingsheng Receivables

Deposits, prepayments and other receivables (collectively, the "**Receivables**") mainly included an aggregate amount of approximately RMB558,688,000 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 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 (the "**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 arbitration 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 by Beijing Aiyihang to New Focus Lighting & Power (Shanghai) 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. 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 at 30 December 2025, New Focus Technology (Shanghai) Co., Ltd.* (紐福克斯科技(上海)有限公司), a non wholly-owned subsidiary of the Company, won the bid for the Land Use Rights of the new land (Plot No.: QPC1-0011 Unit H-27-13) located in Qingpu District, Shanghai, the PRC, at a consideration of RMB46,340,000, and has obtained the construction land planning permit for the land.

As of the date of this announcement, New Focus Lighting & Power (Shanghai) had received partial Compensation of approximately RMB116,399,000, which was fully included in deferred income. Please refer to the announcements of the Company dated 13 May 2024, 25 November 2024 and 30 December 2025 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 70% 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 2025, the total assets of the Group were approximately RMB1,477,884,000 (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(1,003,422,000) (31 December 2024: approximately RMB(834,754,000)); and (3) liabilities of approximately RMB990,600,000 (31 December 2024: RMB858,480,000).

ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save for the matters disclosed below regarding the capital increase agreement entered into by New Focus Lighting & Power (Shanghai), the Group did not have any material acquisitions or disposal of subsidiaries, associates or joint ventures during the Year.

Capital Increase Agreement entered into by New Focus Lighting & Power (Shanghai)

On 17 November 2025, New Focus Lighting & Power (Shanghai) and Zhongrong Juxin Investment Management Limited* (中融聚鑫投資管理有限公司) ("**Zhongrong Juxin**"), as an investor, entered into the capital increase agreement (the "**Capital Increase Agreement**"), pursuant to which Zhongrong Juxin has agreed to inject RMB100,000,000 (equivalent to approximately USD14,000,000) into New Focus Lighting & Power (Shanghai) for 10% equity interest in New Focus Lighting & Power (Shanghai) (the "**Capital Injection**"). Upon completion of the Capital Injection, New Focus Lighting & Power (Shanghai) will be owned as to approximately 90% by the Group and approximately 10% by Zhongrong Juxin, respectively. New Focus Lighting & Power (Shanghai) will remain as a subsidiary of the Company and the financial results of New Focus Lighting & Power (Shanghai) will continue to be consolidated into the financial statements of the Group. On 30 December 2025, New Focus Lighting & Power (Shanghai) further signed a supplemental agreement to the Capital Increase Agreement with Zhongrong Juxin, setting out additional terms relating to their business cooperation and stipulating the disposal arrangements and the validity of the Capital Increase Agreement in the event that New Focus Lighting & Power (Shanghai) loses its production capacity due to government relocation or other reasons. As of the date of this announcement, the Capital Increase Agreement has not yet been completed. As Zhongrong Juxin failed to provide sufficient business support in accordance with the Capital Increase Agreement, the Group was unable to meet the relevant performance targets, thus the parties are currently in negotiations regarding solutions.

Please refer to the announcements of the Company dated 17 November 2025 and 30 December 2025 for further details of the Capital Increase Agreement.

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**"). The Transferor had refunded the Earnest Money in full on 29 August 2025.

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 31 December 2025, the fair value of the investment of New Focus (Beijing) in Tianjin Hongzhuo was approximately RMB76,260,000, representing approximately 5.16% 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 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. With regard to compensation for enterprises affected by the route, the local municipal government has intervened and is assisting the project company in negotiating relevant solutions. 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 the investment made by 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 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. Prototype products of relevant fuel cell membrane electrodes, fuel cell engines and fuel cell modules met the predetermined technical standards. Among them, the prototype hydrogen-powered two-wheeled vehicle sample equipped with a fuel cell engine produced from the fuel cell systemic integration production line has been successfully trial-produced. Jinyi is currently in negotiations with the development and reform bureaus of several county-level governments in Mianyang, Sichuan Province, to carry out hydrogen-powered two-wheeled vehicle sharing business in their localities.

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 commenced the construction of the Qingdao Laixi Automotive Electronics Industrial Park (the "**Industrial Park**") in Laixi City, Qingdao, Shandong Province, the PRC in October 2023, 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, 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 the construction of which 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 had invested 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 in 2024.

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 at 31 December 2025, the fair value of the investment in Shihezi Yike by New Focus (Beijing) was approximately RMB55,897,000.

On 28 July 2025, New Focus (Beijing) issued a repurchase notice, requiring Xiamen Yike to repurchase the equity interest in Shihezi Yike held by New Focus (Beijing). On 18 August 2025, New Focus (Beijing) received a response letter from Xiamen Yike, which explained the specific reasons for Shenzhen Etouch's failure to meet its 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 of Shenzhen Etouch. As of the date of this announcement, New Focus (Beijing) is currently evaluating Shenzhen Etouch's order situation and profitability for 2025 and has requested Xiamen Yike to provide supplementary information as soon as possible to ascertain whether Shenzhen Etouch is able to achieve its 2025 performance targets. Upon completion of the aforementioned tasks and following a comprehensive assessment (including, but not limited to, potential impairment provisions or other financial impacts on the Group that may arise from Shenzhen Etouch's failure to meet its performance targets), New Focus (Beijing) will determine whether to proceed with exercising its repurchase rights.

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

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 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 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 2025**	**Net proceeds unutilized as of 31 December 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 2026
– 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 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 2026.*

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 70% 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 31 December 2025, the amount of the Group's USD borrowings was approximately US$1,140,000 (31 December 2024: nil) and the amount of its HKD borrowings was approximately HK$61,191,000 (31 December 2024: HK$74,191,000).

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 2024: 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 announcement of the Company dated 5 June 2023, Inner Mongolia Chuangying was served with a summons as one of the defendants 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 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. 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.

EMPLOYEES AND REMUNERATION POLICY

During the Year, the Group employed a total of 727 full-time employees (31 December 2024: 714), of which 169 (31 December 2024: 187) 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.

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, 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 34,400,000 during the Year, representing a year-on-year increase of approximately 9.4%, of which the sales volume of passenger vehicles amounted to approximately 30,103,000, representing a year-on-year increase of approximately 9.2%. The automotive market achieved growth in 2025, which was attributable to the intensified efforts in large-scale equipment renewal policies and consumer goods trade-in programs, as well as the effective boost in market demand driven by the launch of new vehicle models. However, market growth slowed in the second half of the year due to the tapering of policy incentives and the intensifying industry competition. The industry in which the Group operates still faces several challenges, including multiple pressures such as declining industry profit margins, market fragmentation, rising trade protectionism, and accumulated inefficient production capacity.

During the Year, the hydrogen energy industry in China has made steady progress driven by supporting policies and market demand. According to the data from National Energy Administration, by the end of 2025, there has been approximately 1,512 hydrogen refueling stations completed in China, representing a year-on-year increase of approximately 25.3%. The annual sales volume of fuel cell electric vehicles (FCEVs) reached approximately 22,800 units, representing a year-on-year increase of approximately 52% and maintaining a rapid growth trend. This growth is 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 financial support of local governments. Advancements in core technologies and large-scale production are driving cost optimization of fuel cell systems and accelerating the process of domestic substitution. With the continuous expansion of hydrogen application scenarios, its application prospects in transportation, industry, and other fields are becoming increasingly promising. Simultaneously, the industry still faces challenges such as bottlenecks in core technologies, high construction and operational costs for hydrogen refueling stations, elevated costs for green hydrogen, and import dependency for core materials. Considering the development trend of sustained policy efforts, continuous technological breakthroughs, and the steady expansion of the industry's scale, the hydrogen energy industry is expected to continue its transition towards high-quality development in the coming years.

Automobile Dealership and Services Business

In 2025, 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 2025:

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 2025, the operating revenue of the manufacturing and trading business of the Group increased by approximately 17.61% as compared to 2024. This growth was primarily driven by an increase in foreign trade revenue from energy storage products. 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. These efforts have collectively driven an approximate 1.05% decrease in foreign trade revenue as compared to 2024. Revenue from domestic trade increased by approximately 81.85%.

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. The Group has made continuous efforts 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 will continue to endeavor to strengthen 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

The Board believes good corporate governance practice is the key to business growth and management of the Group. The Company has adopted 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. The amendments to the Code effective on 1 July 2025 will apply to the corporate governance reports and annual reports of the Company for the financial years commencing from 1 January 2026. All the corporate governance principles and code provisions mentioned in this announcement refer to those stated in the Code before the amendments, not the revised Code.

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 and relevant employees (if any) by the Company, all Directors and relevant employees (if any) confirmed that they have complied with the requirements 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 2025. The Audit Committee is of the opinion that the audited consolidated financial statements of the Group for the year ended 31 December 2025 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 2025 have been reviewed by the Audit Committee.

DIVIDENDS

The Directors do not recommend the payment of a final dividend for the Year (2024: Nil).

PURCHASE, SALE 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 Tuesday, 30 June 2026 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 Thursday, 25 June 2026 to Tuesday, 30 June 2026 (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 transfer documents 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 Wednesday, 24 June 2026. The record date for determining the shareholders of the Company entitled to attend and vote at the annual general meeting will be Tuesday, 30 June 2026.

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 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards 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 the Note 2(b) to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately RMB132,006,000 during the year ended 31 December 2025. As at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately RMB297,039,000. The Group had total interest-bearing bank and other borrowings of approximately RMB423,712,000, out of which approximately RMB418,743,000 will be due for repayment within the next twelve months and approximately RMB100,711,000 of payments of principal and/or interest were defaulted as at year end, while the Group had unrestricted cash and cash equivalents of approximately RMB31,110,000 only. These events and conditions, along with other matters as set forth in Note 2(b), indicate that a material uncertainty exists that 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.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 31 December 2025 which would materially affect the Group's and the Company's operating and financial performance as at the date of this announcement.

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 2026

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

* *For identification purposes only*