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## **NEW FOCUS AUTO TECH HOLDINGS LIMITED**

**新焦點汽車技術控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 360)**

### **SUPPLEMENTAL ANNOUNCEMENT RELATING TO THE DISCLOSEABLE TRANSACTION FORMATION OF LIMITED PARTNERSHIP**

Reference is made to the announcement of New Focus Auto Tech Holdings Limited (the “**Company**”) dated 2 July 2023 (the “**Announcement**”) in relation to the formation of a limited partnership. Unless otherwise defined, capitalised terms used herein have the same meanings as those defined in the Announcement.

The Board would like to further provide the following information of the Limited Partnership.

#### **ROLES AND RESPONSIBILITIES OF THE GENERAL PARTNERS**

Yanshi Hongyuan, one of the general partners, will be the executive partner of the Limited Partnership and will be responsible for the operation and management of the Limited Partnership as provided under the Partnership Enterprise Law of the PRC and the Partnership Agreement and act on behalf of the Limited Partnership externally. Yanshi Hongyuan is primarily responsible for the investment management of the Limited Partnership and assumes unlimited liabilities of the Limited Partnership on a joint and several basis with Tianjin Yun Qi Tian.

Tianjin Yun Qi Tian is one of the general partners of the Limited Partnership, while not directly involved in the day-to-day management, is responsible for overseeing the work of Yanshi Hongyuan and monitoring the operational and financial status of the Limited Partnership. Tianjin Yun Qi Tian is committed to providing assistance to Yanshi Hongyuan and the Limited Partnership as a whole. With a wealth of project resources, high-quality project reserves and industry expertise, Tianjin Yun Qi Tian plays an important role in the project selection, external investment and post-investment value-added efforts of the Limited Partnership. The service fees (being 0.5% of the total paid-up capital of the Limited Partnership) payable to the general partners of the Limited Partnership are determined in accordance with market standards, including fee structures and fee rates adopted by

limited partnerships of similar scale to that of the Limited Partnership but with a single general partner. Considering that the Limited Partnership will benefit from the professional management services from Yanshi Hongyuan and rich industrial resources from Tianjin Yun Qi Tian, but only needs to pay fees of one general partner, the Board is of the view that the services fees charged by the general partners are fair and reasonable.

## **INVESTMENT DECISION COMMITTEE**

The investment decision committee of the Limited Partnership shall comprise three (3) members, and each Partner (other than Tianjin Yun Qi Tian) shall be entitled to appoint one member to the committee, which shall be chaired by a member who is appointed by Yanshi Hongyuan.

The detailed provisions regarding the authority, composition, and rules of procedure of the investment decision committee shall be effective only after being approved by unanimous consent by all the Partners.

The investment decision committee has the final decision-making power over relevant investments and exit decisions according to the Partnership Agreement. All resolutions of the investment decision committee require the approval of the member appointed by New Focus (Beijing) in addition to a majority vote.

## **INVESTMENT MANDATE AND NATURE OF UNDERLYING INVESTMENT OF THE LIMITED PARTNERSHIP**

As disclosed in the Announcement, the Limited Partnership will focus on national strategic emerging and high-tech industries, and will primarily invest in fields such as new energy and new materials. The Limited Partnership has currently identified four reserve projects with details as follows:

Project A: an innovative new energy technology company which integrates the research and development, production and sales of power batteries. It can independently produce positive and negative electrodes, battery cells, battery modules and other products, and is one of the few advanced manufacturers in the industry that has fully integrated the upstream and downstream industrial chain;

Project B: a company which has products covering two core material technology routes: lithium iron phosphate and ternary lithium. Such company has an annual production capacity of nearly 4GWh and still has a large area of industrial land available for capacity expansion;

Project C: a company which engages in the carbon fiber new material industry and the upstream and downstream industrial chains of such industry as its main business. The downstream demand is stable and sustainable, and the development space of this project is considerable. Such company also has the support capacity to supply the production of large-scale carbon fiber products; and

Project D: a company which engages in the research and development and manufacture of equipment for emerging energy and clean energy, represented by low-carbon fuel engines. It has core technologies such as the engine for the world's most advanced low-carbon fuel, i.e. liquefied natural gas (LNG), and more than 50 related patents for natural gas engines.

## **FURTHER INFORMATION OF THE GENERAL PARTNERS**

As disclosed in the Announcement, Yanshi Hongyuan is a limited partnership established in the PRC and is owned as to 0.9901% by its general partner, Yanshi Capital and 99.0099% by its limited partner, 王景會 (Wang Jinghui\*). Yanshi Capital is owned as to 95% by Shannan Yanshi and 5% by its executive partner, 楊磊 (Yang Lei\*). Shannan Yanshi is owned as to 51%, 45%, and 4% by 王景會 (Wang Jinghui\*), 王亞龍 (Wang Yalong\*) and 楊磊 (Yang Lei\*), respectively.

Yanshi Capital has been established since March 2014, the management team of which consists of individuals who graduated from well-known universities such as Peking University, and have outstanding investment performance at well-known investment institutions such as Everbright, Minsheng, Standard Fund, and Merrill Lynch. It focuses on investment in private equity (PE) in the fields of culture and health consumption; mergers and acquisitions of listed companies and industrial groups; and pre-financing of real estate and investment in non-performing assets, while it has participated in and managed a total of 15 funds with size over RMB1.85 billion. The invested PE projects of Yanshi Capital include, among others, 國開新能源科技有限公司 (GuoKai New Energy Limited Company\*), BGI Genomics Co., Ltd. (a company listed on the Shenzhen Stock Exchange with stock code: 300676), and Ccoop Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange with stock code: 000564). In terms of securities investment, Yanshi Capital focuses on core assets that occupy the leading positions in various industries with continuously improving operating conditions, as well as innovative assets with core technologies that benefit from the profit growth as a result of the economic transformation and upgrade. Yanshi Hongyuan is a limited partnership managed by Yanshi Capital and is principally engaged in private equity and industrial investments.

Tianjin Yun Qi Tian is a company established in 2019 with a registered capital of RMB10 million in the PRC with limited liability, which is owned as to 95% by Yunqi Tianheng and 5% by 陳淑凡 (Chen Shufan\*). Yunqi Tianheng is owned as to 80% by its general partner, 陳淑凡 (Chen Shufan\*), and 20% by its limited partner, 高斌 (Gao Bin\*). Tianjin Yun Qi Tian engages in technology industry planning and project investment, involving industries with rapid growth such as new infrastructure and new energy. Its project type focuses include, among others, applications of new energy and photoelectric technology, energy storage and contract energy management, upstream technologies and products for new energy vehicles, planning and research and development of big data projects, industrial Internet platform

design, digital transformation plans, digital economic industry chains and digital economic industrial parks.

The Board considered the general partners were suitable selections despite they are not members of the Asset Management Association of China (AMAC) taking into account that (i) Yanshi Capital, as a general partner of Yanshi Hongyuan and a AMAC member can provide extensive professional management expertise through Yanshi Hongyuan; and (ii) Tianjin Yun Qi Tian provides industrial resources and connections, which could benefit the Limited Partnership. The Board believes the general partners' credentials, expertise, and connections can add significant value and make up for their lack of AMAC membership.

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

19 July 2023

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

\* *For identification purpose only*