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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)

DISCLOSEABLE TRANSACTIONS ESTABLISHMENT OF A NON WHOLLY-OWNED SUBSIDIARY AND FORMATION OF A LIMITED PARTNERSHIP AND CHANGE IN USE OF PROCEEDS FROM SUBSCRIPTION

ESTABLISHMENT OF A NON WHOLLY-OWNED SUBSIDIARY

The Board is pleased to announce that on 25 September 2023, it has approved that New Focus (Beijing) (an indirect wholly-owned subsidiary of the Company) to establish a new company, Jinyi, with Botong and Shanghai Refire, with a registered capital of RMB100 million, of which RMB60 million will be contributed by New Focus (Beijing). Upon the establishment of Jinyi, it will become an indirect 60%-owned subsidiary of the Company. Jinyi will be principally engaged in comprehensive hydrogen energy solutions and commercialized operations.

FORMATION OF THE LIMITED PARTNERSHIP

The Board is also pleased to announce that on 25 September 2023, it has approved New Focus (Beijing) and Newtec (a direct wholly-owned subsidiary of the Company) to enter into the Partnership Agreement with Mianyang Xintou for the establishment of the Limited Partnership. According to the Partnership Agreement, the total amount of capital commitments of the Limited Partnership is RMB291 million, of which New Focus (Beijing) (as limited partner) and Newtec (as general partner) will each contribute RMB145 million and RMB1 million, respectively, while Mianyang Xintou (as limited partner) will contribute RMB145 million. Upon the establishment of the Limited Partnership, the Limited Partnership will become an indirect 50.17%-owned subsidiary of the Company.

FURTHER INVESTMENT INTO JINYI BY THE LIMITED PARTNERSHIP

After the establishment of the Limited Partnership, the Limited Partnership will contribute RMB50 million towards the registered capital of Jinyi pursuant to the Investment Agreement and provide Jinyi with a Convertible Loan of a maximum of RMB235,000,000 for a term of 8 years at 6% interest rate per annum pursuant to the Convertible Loan Agreement. The Group will then directly (40%) and indirectly (through the Limited Partnership – approximately 33.33%) own an aggregate approximately 73.33% equity interest in Jinyi.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios under the Listing Rules in respect of the transactions contemplated under each of the establishment of Jinyi and the Limited Partnership and the Transactions on an aggregate basis exceed 5% and are below 25%, those Transactions constitute discloseable transactions for the Company and are subject to the reporting and announcement requirements under the Listing Rules.

CHANGE IN USE OF PROCEEDS FROM SUBSCRIPTION

The Board has also resolved to change the use of approximately HK\$221.5 million (equivalent to approximately RMB206 million) out of part of the net proceeds from the Subscription to the capital contribution to Jinyi and the Limited Partnership, so as to catch up with the global trend of the development of clean energy in hydrogen energy business.

ESTABLISHMENT OF JINYI

Name of the company: 錦宜 (綿陽) 氫能科技有限公司 (Jinyi (Mianyang) Hydrogen Energy Technology Co., Ltd.*)

Shareholding structure and capital contribution:	Shareholders	Amount of committed capital contribution	% of capital contribution
	New Focus (Beijing) (an indirect wholly-owned subsidiary of the Company)	RMB60 million	60.00%
	Botong	RMB35 million	35.00%
	Shanghai Refire	RMB5 million	5.00%
	Total	RMB100 million	100.00%

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Botong and Shanghai Refire and its respective ultimate beneficial owners are Independent Third Parties.

Upon the establishment of Jinyi, it will become an indirect 60%-owned subsidiary of the Company.

Shareholders shall exercise their voting rights at shareholders' meetings in proportion to their capital contribution, and any profit and risk will be distributed according to the proportion of each shareholder's respective capital contribution.

The capital contributed by New Focus (Beijing) will be funded by the net proceeds from the Subscription.

Board and management composition:

One executive director, as appointed by New Focus (Beijing), will be accountable to the shareholders of Jinyi. Management will be appointed or dismissed by the executive director, including one general manager (responsible for production and operational management), one financial controller and several deputy general managers.

Principal business:

Jinyi will be principally engaged in comprehensive hydrogen energy solutions and commercialized operations. Relying on the production capacity of leading domestic hydrogen fuel cell and electrolytic water hydrogen production system manufacturers, Jinyi will bring together leading hydrogen energy upstream and downstream industry chain companies, rely on local and national hydrogen energy support policies, and expand its business with various industrial parks, government co-built hydrogen energy operation bases among others, so as to build a leading hydrogen energy company in the regional market.

THE PARTNERSHIP AGREEMENT

Date: Approved by the Board on 25 September 2023, pending signing by the parties

Name of the Limited Partnership: 綿陽新氫新能源科技合夥企業(有限合夥) (Mianyang New Hydrogen New Energy Technology Partnership (Limited Partnership)*)

Partners: General Partner:

(i) Newtec (a direct wholly-owned subsidiary of the Company)

Limited Partners:

(i) New Focus (Beijing) (an indirect wholly-owned subsidiary of the Company); and

(ii) Mianyang Xintou.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mianyang Xintou and its ultimate beneficial owners are Independent Third Parties.

Purpose of the Limited Partnership: The Limited Partnership shall be formed for the sole purpose of investment in Jinyi.

Term of the Limited Partnership: The investment term of the Limited Partnership shall be eight (8) years commencing from the date of issuance of the business license (of which, the investment period shall be five (5) years from the date of issuance of the business license, and the withdrawal period shall be three (3) years from the end of the investment period).

The Limited Partnership shall be terminated under the following events:

(i) the proposal of dissolution is put forward by the general partner, and approved by the general partner(s) and the limited partners with two-thirds or more of the paid-up capital contributed by all Partners;

(ii) the term of the Limited Partnership has expired and no extension of the term has been agreed by the Partners;

- (iii) the Limited Partnership has exited all its investment projects and the general partner notifies the limited partners in writing in advance to terminate the Limited Partnership;
- (iv) the general partner is removed or withdraws from the Limited Partnership and no new general partner is accepted by the limited partners in accordance with the Partnership Agreement;
- (v) there is material breach of the Partnership Agreement by one or more of the limited partners which leads the general partner to conclude that the Limited Partnership can no longer carry out its business;
- (vi) the business license of the Limited Partnership has been revoked; or
- (vii) any legal or other reasons under the Partnership Agreement give rise to the dissolution of the Limited Partnership.

Committed capital contribution:

The following is the details of the capital contributions payable by each Partner in cash:

Partners	Amount of committed capital contribution	% of capital contribution
New Focus (Beijing)	RMB145 million	49.83%
Newtec	RMB1 million	0.34%
Mianyang Xintou	RMB145 million	49.83%
Total	RMB291 million	100.00%

New Focus (Beijing) and Newtec shall settle all their respective contributions to the Limited Partnership within two (2) months from the date of signing of the Partnership Agreement. The capital commitment payable by New Focus (Beijing) and Newtec will be funded by the net proceeds from the Subscription.

Mianyang Xintou shall contribute RMB100 million within 15 business days after the capital contributions of New Focus (Beijing) and Newtec are made. The remaining RMB45 million shall be contributed by instalments according to the operational conditions of Jinyi, and shall be paid no later than 15 December 2023.

Upon the establishment of the Limited Partnership, the Limited Partnership will become an indirect 50.17%-owned subsidiary of the Company.

Management of the Limited Partnership:

Newtec, the general partner, will be the executive partner of the Limited Partnership and will be responsible for the operation and management of the Limited Partnership and act on behalf of the Limited Partnership externally.

The executive partner will be entitled to receive an annual management fee payable from the Limited Partnership as follows:

- (i) Investment period: 2% of the total paid-up contributions of the Limited Partnership; and
- (ii) Withdrawal period: 1% of the amount already invested in projects yet to be exited.

The executive partner has the sole right to decide and direct the Limited Partnership to execute or act on certain affairs in respect of the Limited Partnership, except for matters stipulated under the Partnership Agreement which require approval in the Partners' meeting.

Partners' meeting:

The first Partners' meeting shall be convened within three (3) months from the date of establishment of the Limited Partnership, and shall then be convened within the first six (6) months after each calendar year end and presided over by the general partner.

Matters to be discussed at the Partners' meeting shall be approved by the general partner and the limited partners with two-thirds or more of the paid-up capital contributed by all Partners to the Limited Partnership.

The following matters shall be considered by the Partners' meeting:

- (i) amendments to the Partnership Agreement;
- (ii) the contents of, and amendments to the rules of procedure of the investment decision committee;

- (iii) dissolution and liquidation of the Limited Partnership;
- (iv) removal of the general partner when the conditions under the Partnership Agreement are met;
- (v) change of the name of the Limited Partnership;
- (vi) extension of the term of the Limited Partnership;
- (vii) addition of a limited partner who proposes to make an additional capital contribution;
- (viii) change of the escrow arrangements of the common seal and financial seal of the Limited Partnership;
- (ix) approval of proposals submitted by the general partner to make non-cash distributions to the Partners; and
- (x) other matters that should be decided as stipulated by laws, regulations and the Partnership Agreement.

Distribution of investment proceeds and loss sharing:

Within ninety (90) business days after the Limited Partnership's withdrawal of investment in a target company, or upon the Limited Partnership's liquidation:

- (i) the profit of the Limited Partnership will be distributed to the limited partners on a pari passu basis, in accordance with the proportion of their paid-up capital contributions, until the cumulative amount reaches the capital contribution of each limited partner;
- (ii) the amount of the general partner's capital contribution shall be returned; and
- (iii) once the above conditions (i) and (ii) are satisfied, the remainder shall be distributed between the general partner and the limited partners according to the ratio of 20:80.

Prior to the dissolution of the Limited Partnership, the general partner has the right to propose a non-cash distribution, which must be approved at a Partners' meeting, in accordance with the above principles.

In the event that the Limited Partnership incurs losses or liabilities, such losses or liabilities shall first be borne with the assets of the Limited Partnership (with limited partners being only liable to the extent of their capital contributions) and any outstanding losses or liabilities shall be borne by the general partner with unlimited liability.

Change of interest in the Limited Partnership:

A limited partner may transfer or withdraw all or part of its interest in the Limited Partnership with the consent of all Partners. The other Partners shall have a right of first refusal or pre-emptive right under the same conditions. If two or more Partners concurrently claim to exercise their pre-emptive right, they shall negotiate their respective purchasing ratios. If a mutual understanding cannot be reached after such negotiations, their pre-emptive rights shall be exercised in accordance with their proportion of paid-in capital contribution.

In any case, the Partners agree that Mianyang Xintou shall have the right to withdraw from the Limited Partnership in the event that Jinyi suffers losses for five (5) consecutive years, the Limited Partnership fails to invest the capital fully into Jinyi as agreed, Jinyi is unable to repay the Convertible Loan to the Limited Partnership on time and the parties have failed to reach an agreement on the conversion of the Convertible Loan, upon expiry of the term of the Limited Partnership or with the consent of other Partners.

The general partner may only transfer its interest with the consent of the Partners at the Partners' meeting.

Investment decision committee:

The investment decision committee will be the highest decision-making body for considering and approving project investments and exit proposals as submitted by management of the Limited Partnership, and signing and executing material agreements, contracts and other documents on behalf of the Limited Partnership.

The investment decision committee shall comprise three (3) members, who shall all be nominated by the executive partner, with one (1) chairman. The composition of the investment decision committee shall be approved at a Partners' meeting.

Mianyang Xintou has the right to appoint an observer to the investment decision committee, who shall be notified three (3) days in advance of all resolutions to be considered by the investment decision committee. If the observer fails to attend a meeting of the investment decision committee due to failure to be duly notified, voting on the relevant resolutions by the investment decision committee shall be deemed as invalid. An investment project shall be reported to the limited partners through the observer prior to their commencement.

All investment, divestment and decisions to enter into material agreements, contracts and other documentation on behalf of the Limited Partnership shall be supported by two-thirds or more of the votes of all members of the investment decision committee.

FURTHER INVESTMENT INTO JINYI BY THE LIMITED PARTNERSHIP

The Limited Partnership will contribute RMB50 million towards the registered capital of Jinyi with details as follows:

(1) Investment Agreement

Date:	Approved by the Board on 25 September 2023, pending signing by the parties after the establishment of Jinyi and the Limited Partnership
Parties:	Limited Partnership (as investor); Jinyi (as the target company); New Focus (Beijing); Botong; and Shanghai Refire
Capital contribution:	<p>The Limited Partnership shall contribute RMB50 million towards the registered capital of Jinyi within two (2) months from the date of the Investment Agreement.</p> <p>Upon completion of the capital contribution, Jinyi will be owned as to 40% by New Focus (Beijing), 33.33% by the Limited Partnership, 23.33% by Botong and 3.33% by Shanghai Refire, respectively, and will become an indirectly 73.33%-owned subsidiary of the Group.</p>
Usage of the capital contribution:	Jinyi shall only apply the capital contributed by the Limited Partnership towards its daily operations.
Preferred rights:	The Limited Partnership shall be entitled to (i) the right of first pre-emption if the registered capital/investment amount of Jinyi shall be increased, (ii) the right of first refusal and tag along rights in case any of the existing shareholders of Jinyi disposes of its equity interests in Jinyi; and (iii) the most favorable investment terms applicable to the investment made under the Investment Agreement in case Jinyi conducts future equity/debt fund raising activities.

Liquidation preference: Upon liquidation of Jinyi, the residual assets of Jinyi shall be distributed as follows:

- (i) settlement of liquidation fees, wages, social insurance contributions, statutory compensation, tax and all debts and liabilities of Jinyi;
- (ii) after the settlement of item (i) above, the Limited Partnership shall be entitled to the following preferred liquidation payment = Jinyi's registered capital held by the Limited Partnership \times investment cost \times $(1 + 6\% \times T/360)$ + dividends approved to be distributed to the Limited Partnership by the shareholder meeting but not yet paid.

T: the number of calendar days from the day the Limited Partnership actually paid the corresponding investment amount to the registered capital until the day when the preferred liquidation payment is fully paid;

- (iii) after the above item (ii) is paid, the residual assets shall be distributed to all shareholders of Jinyi in accordance with their shareholdings.

Corporate governance: After completion of the capital increase,

1. the board of Jinyi shall comprise of three (3) members, among which one shall be nominated by the Limited Partnership. Generally, all board resolutions shall be passed by a majority voting, but the Limited Partnership shall have a veto right for key matters such as change of registered capital, issue of bonds or securities, material acquisitions or loan transactions etc.; and
2. all shareholders' resolutions of Jinyi shall be approved by two-thirds or more of the paid-up capital contributed by the shareholders of Jinyi, but the Limited Partnership shall have a veto right for key matters such as change of registered capital, issue of bonds or securities, material acquisitions or loan transactions, change of composition of the board, amendments to the articles of association, etc.

The Limited Partnership will also provide Jinyi with a Convertible Loan, the details of which are as follows:

(2) Convertible Loan Agreement

Date:	Approved by the Board on 25 September 2023, pending signing by the parties after the establishment of Jinyi and the Limited Partnership
Parties:	Limited Partnership (as lender); Jinyi (as borrower); New Focus (Beijing); Botong; and Shanghai Refire
Principal amount:	a maximum of RMB235,000,000
Interest rate:	6% per annum, which is determined based on the prevailing market interest rate of loans with similar nature
Term:	8 years
Conversion rights:	the Limited Partnership may decide to convert all or part of the loan into equity at any time prior to the expiration of the term of the Convertible Loan or if Jinyi fails to repay the entire principal and interest of the Convertible Loan at maturity
Conversion ratio:	the conversion of all or part of the principal and interest of the Convertible Loan into equity in Jinyi should be based on Jinyi's average audited net profit of the previous three (3) calendar years at the time of conversion times 15

Based on the above, the Group will directly and indirectly (through its contribution to the Limited Partnership) invest an aggregate of RMB206 million towards the Transactions, which is determined mainly by taking into account the capital required by Jinyi for its business operation (including construction, production line build-up, and other investments). As for the contributions by the Partners, the amount has been determined and negotiated on an arm's length basis by the Group and Mianyang Xintou based on Jinyi's funding needs and government requirements.

INFORMATION ON THE PARTIES

The Group

The Group focuses on the research and development, manufacturing and sales of automotive electronic products, as well as the construction and development of automobile dealership networks. 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 PRC, 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, as well as the distribution of car insurance products and automobile financial products.

New Focus (Beijing)

New Focus (Beijing) is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary, and is principally engaged in research and development, production, and manufacturing of auto inverters, multifunctional mobile power supplies, and vehicle cables. New Focus (Beijing) focuses on the industrialization and large-scale production of domestic auto components, and drives the domestic upstream and downstream auto industry chain while expanding both domestic and international auto industry market opportunities.

Botong

Botong is a company established in the PRC with limited liability and is principally engaged in the promotion and development of data centers for hydrogen energy solutions and hydrogen energy demonstration projects. Botong promotes the application and transformation of hydrogen energy as an advanced green technology and leverages on the support of the national strategy to channel more computing resources from the eastern areas to the less developed western regions through its own data center and customer resources to resolve the issue of carbon emissions.

Botong will look to promote cooperation between Jinyi and leading domestic companies, prioritizing the use of MW-class hydrogen power plants for their data centers as well as partially guaranteed electricity supply to its industrial park. Relying on government resources, Botong will be involved in the construction of hydrogen energy demonstration bases in various locations, and provide business support for Jinyi, and act as the main sales and operation team of Jinyi.

Botong is ultimately owned as to 99% by 雷秀斌 (Lei Xiubin*) and 1% by 雷蕾 (Lei Lei*), respectively.

Shanghai Refire

Shanghai Refire is a company established in the PRC with limited liability and its group is principally engaged in the research and development of fuel cell technology, and the research and development, production, sale and engineering application development services of fuel cell system related products. The group specializes in the technology research and product development of fuel cell systems and controls, reactors and membrane electrodes, and power electronics. The group is a global enterprise with more than 650 employees, with R&D centers in Shanghai and Vancouver, large-scale product manufacturing bases in Changshu, Jiangsu, Jiaxing, Zhejiang and Foshan, Guangdong, and after-sales service centers for fuel cell automobiles in Jiangsu, Guangdong, Shandong and Henan, among other regions. Shanghai Refire and its group have been invested in by Sinopec Capital, the National Manufacturing Upgrade and Transformation Fund, FAW Jiefang Group, Yutong Group, Toyota Tsusho, Sequoia Capital, Hillhouse Capital and other well-known organizations.

Shanghai Refire is involved in the development of a number of fuel cell vehicle models in areas of such as the domestic Yangtze Delta, the Pearl River Delta, Central China and North China, and the German, Japanese, Malaysian and other foreign markets.

Shanghai Refire is a direct wholly-owned subsidiary of 上海重塑能源集團股份有限公司 (Shanghai Refire Energy Group Stock Company Limited*) (“**REFIRE Group**”), which is owned as to approximately 15.98% by 林琦 (Lin Qi*) and approximately 14.33% by Sinopec Capital Co., Ltd. 中國石化集團資本有限公司 (a state-owned enterprise in the PRC that primarily engages in oil refining and petrochemical activities) and approximately 69.69% by other approximately 60 shareholders (none of which hold more than 5% in REFIRE Group).

Newtec

Newtec is a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Company, and is principally engaged in investment in hydrogen energy and other new energy projects. The core management of Newtec possesses rich project resources, quality project reserves and expertise in investment, financing and management. Newtec’s contribution lies in its expertise with project selection, external investment and post-investment value-added activities.

Mianyang Xintou

Mianyang Xintou is a state-owned company established in the Mianyang Science and Technology City New Area of the PRC with limited liability, and its group is principally engaged in the local development of industry, construction and urban operations. The company has 7 centers, including an Administration Center, Party Human Resources Center, Capital Management Center, Audit and Legal Center, Investment Management Center, Procurement Management Center and Project Management Center.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Under the dual-carbon target, hydrogen energy presents itself as a clean source of energy for the future, having been included in the “14th Five-Year” development plan by 30 provinces excluding Tibet. Beijing, Hebei and Sichuan, among other provinces, have also introduced hydrogen energy industry development programs. The support and introduction of such national industrial policy has become an important impetus for the promotion of the application of hydrogen energy in data centers and other digital industries.

The establishment of Jinyi and the Limited Partnership represents an excellent opportunity for the Company to expand into the hydrogen energy market. Leveraging on established state-owned resources operated by Mianyang Xintou, the Group can obtain capital at a lower cost and Jinyi is expected to benefit from it to generate economics benefits that are satisfactory to all relevant parties. It is expected that investing in the hydrogen energy and fuel cell business will also create synergies with the existing automobile business of the Group. The main product of Jinyi is the distributed hydrogen power station, with the IDC data center as the main application scenario. Technically speaking, the distributed hydrogen power station is mainly composed of two units: the power generation unit, namely the hydrogen fuel cell system; and the power unit, mainly composed of DC/DC, inverter, etc. The Group can provide the required equipment for the power unit of the distributed hydrogen power station, directly supply core components such as voltage converters (DC/DC) and power inverters (DC-AC), and can also serve as a system integrator to provide supporting high-voltage combiner boxes, energy storage batteries, switches, AC transformers and other power module products for this kind of energy project.

In view of the above, the Board considers that the terms of the establishment of Jinyi and the Limited Partnership, the Agreements and the Transactions contemplated thereunder are on normal commercial terms and are fair and reasonable, and that the Transactions are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios under the Listing Rules in respect of the transactions contemplated under each of the establishment of Jinyi and the Limited Partnership and the Transactions on an aggregate basis exceed 5% and are below 25%, those Transactions constitute discloseable transactions for the Company and are subject to the reporting and announcement requirements under the Listing Rules.

CHANGE IN USE OF PROCEEDS FROM SUBSCRIPTION

As disclosed before, due to the industrial development plan (including land bidding plans, optimization of the industrial orientation) of, and pending the introduction of more favorable policies to the auto industry by, the Qingdao Laixi Municipal Government, part of the net proceeds from the Subscription could not be immediately applied as intended for the construction and production of the new production plant in Laixi City, purchase of related production equipment and land use rights in the short-term.

The Board has resolved to change the use of approximately HK\$224.51 million (equivalent to approximately RMB206 million) to the investment in the hydrogen energy business by way of capital contribution to Jinyi and the Limited Partnership as detailed in the above sections of this announcement, so as to catch up with the global trend of the development of clean energy.

The table below sets out the original allocation of the net proceeds from the Subscription, the revised position after the change in use and the expected timeline for utilizing the unutilised proceeds:

	Amount of net proceeds allocated <i>HK\$ million (approximate)</i>	Revised amount of net proceeds allocated <i>HK\$ million (approximate)</i>	Net proceeds unutilised as at the date of this announcement <i>HK\$ million (approximate)</i>	Expected timetable for utilising the unutilised proceeds <i>(Note)</i>
Enhancement of the Company's manufacturing capability				
Purchase of land use rights in Economic Development Zone, Laixi City, Qingdao City, Shandong Province	65	43.69	43.69	By 31 December 2023
<u>Construction of new production plants and other supporting facilities</u>	<u>335</u>	<u>234.40</u>	<u>225.60</u>	By 31 December 2023
Purchase of related production equipment in the PRC for production of automotive parts for new energy vehicle	46	0	–	By 31 December 2023
Repayment of the outstanding bank loans of the Group	111	111	23	By 31 December 2023
General working capital of the Group				
Procurement costs of the Group's manufacturing business and automobile dealership and service business	41	0	–	By 31 December 2023

	Amount of net proceeds allocated <i>HK\$ million</i> <i>(approximate)</i>	Revised amount of net proceeds allocated <i>HK\$ million</i> <i>(approximate)</i>	Net proceeds unutilised as at the date of this announcement <i>HK\$ million</i> <i>(approximate)</i>	Expected timetable for utilising the unutilised proceeds <i>(Note)</i>
Remuneration of the Group's employees	9	1.4	–	By 31 December 2023
The Group's other daily expenses	8	0	–	By 31 December 2023
<u>Capital contribution to Jinyi and the Limited Partnership</u>	<u>0</u>	<u>224.51</u>	<u>224.51</u>	<u>By 31 December 2023</u>
Total	<u>616.0</u>	<u>616.0</u>	<u>516.9</u>	

Note: The expected timeline for utilising the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on current and future development of market conditions.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings when used herein:

“Agreements”	collectively, the Partnership Agreement, the Investment Agreement and the Convertible Loan Agreement
“Board”	the board of Directors
“Botong”	博通明達 (天津) 氫能科技有限公司 (Botong Mingda (Tianjin) Hydrogen Energy Technology Co., Ltd.*), a company incorporated in the PRC with limited liability, being one of the shareholders of Jinyi
“Company”	New Focus Auto Tech Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Convertible Loan”	a convertible loan of a maximum of RMB235,000,000 at an interest rate of 6% per annum for a term of 8 years from the date of the first payment of the loan by the Limited Partnership to Jinyi pursuant to the Convertible Loan Agreement

“Convertible Loan Agreement”	a convertible loan agreement to be entered into between Jinyi (as borrower), the Limited Partnership (as lender), New Focus (Beijing), Botong and Shanghai Refire
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules
“Investment Agreement”	an investment agreement to be entered into between Jinyi, the Limited Partnership (as investor), New Focus (Beijing), Botong and Shanghai Refire relating to the capital contribution of RMB50 million by the Limited Partnership to Jinyi
“Jinyi”	錦宜 (綿陽) 氫能科技有限公司 (Jinyi (Mianyang) Hydrogen Energy Technology Co., Ltd.*) a limited liability company proposed to be established in the PRC by New Focus (Beijing), Botong and Shanghai Refire
“Limited Partnership”	綿陽新氫新能源科技合夥企業 (有限合夥) (Mianyang New Hydrogen New Energy Technology Partnership (Limited Partnership)*), a limited partnership to be established in the PRC in accordance with the Partnership Agreement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mianyang Xintou”	綿陽科技城新區新投產業發展有限責任公司(Mianyang Science and Technology City New District Xintou Industrial Development Co., Ltd.*), a state-owned company incorporated in the PRC with limited liability, being one of the limited partners of the Limited Partnership
“New Focus (Beijing)”	紐福克斯科技 (北京) 有限公司 (New Focus Technology (Beijing) Co., Ltd.*), a company incorporated in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company, and being one of the shareholders of Jinyi and one of the limited partners of the Limited Partnership

“Newtec”	紐泰克光電科技有限公司 (Newtec Lighting and Power Technology Co., Ltd.*), a company incorporated in the PRC with limited liability, being the general partner of the Limited Partnership, and a direct wholly-owned subsidiary of the Company
“Partner(s)”	collectively, the general partner and the limited partners of the Limited Partnership from time to time
“Partnership Agreement”	the partnership agreement to be entered into by the Partners in respect of the establishment of the Limited Partnership
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Refire”	上海重塑能源科技有限公司 (Shanghai Refire Energy Technology Co., Ltd.*), a company incorporated in the PRC with limited liability, being one of the shareholders of Jinyi
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for 10,449,312,134 new Shares by Daodu (Hong Kong) Holding Limited on 21 December 2022
“Transactions”	collectively, the establishment of Jinyi and the Limited Partnership and the transactions contemplated under the Agreements

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

Hong Kong, 25 September 2023

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

* For identification purposes only