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If you have sold or transferred all your shares in New Focus Auto Tech Holdings Limited, you should at once hand this circular to the purchaser or the transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission.

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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)**

### **MAJOR TRANSACTION CONSTRUCTION OF THE PRODUCTION PLANT IN LAIXI CITY**

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The Company has obtained written approval for the Construction Agreement and the transactions contemplated thereunder from the controlling Shareholder pursuant to Rule 14.44 of the Listing Rules in lieu of holding an extraordinary general meeting of the Company. This circular is being despatched to the Shareholders for information only.

\* For identification purposes only

28 November 2023

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Board”	the board of Directors
“Business Day(s)”	any day (excluding a Saturday, Sunday and public holiday) on which banks both in Hong Kong and the PRC are generally open for business throughout their normal business hours
“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
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules
“Consideration”	the total consideration of RMB290,212,000 payable to the Contractor by New Focus Lighting & Power (Qingdao), in relation to the construction works contemplated under the Construction Agreement
“Construction”	the construction works of the Industrial Park, including the Production Plant and other supporting facilities in the Industrial Park
“Construction Agreement”	the construction agreement entered into between New Focus Lighting & Power (Qingdao) and the Contractor on 6 October 2023 in respect of the construction of the Industrial Park, including the Production Plant
“Contractor”	Shandong Vion Project Management Co., Ltd.* (山東威奧項目管理有限公司), a company incorporated in the PRC with limited liability
“Daodu (HK)”	Daodu (Hong Kong) Holding Limited (香港道度實業有限公司), a company incorporated in Hong Kong with limited liability, being the controlling Shareholder
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

## DEFINITIONS

“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
“Industrial Park”	Qingdao Laixi Automotive Electronics Industrial Park (青島萊西汽車電子產業園), which is to be located at South Qingbei Road West, Jinshan East Road, Development Zone, Laixi City, the PRC* (中國萊西市開發區金山東路南青北路西)
“Latest Practicable Date”	23 November 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in the circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Focus Lighting & Power (Qingdao)”	New Focus Lighting and Power Technology (Qingdao) Co., Ltd. (紐福克斯光電科技(青島)有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Production Plant”	a production plant of the Group to be situated in the Industrial Park for the manufacturing of electric components of new energy vehicles
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended from time to time)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company

## DEFINITIONS

“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for 10,449,312,134 new Shares by Daodu (HK) on 21 December 2022
“%”	per cent

\* *For identification purposes only*



**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)**

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Wan Chai

Hong Kong

28 November 2023

*To the Shareholders,*

Dear Sir or Madam,

**MAJOR TRANSACTION  
CONSTRUCTION OF THE PRODUCTION PLANT IN LAIXI CITY**

**INTRODUCTION**

References are made to the announcement of the Company dated 6 October 2023 in relation to the Construction.

On 6 October 2023, New Focus Lighting & Power (Qingdao) (a wholly-owned subsidiary of the Company) entered into the Construction Agreement with the Contractor, pursuant to which the Contractor agreed to construct the Industrial Park, including the new Production Plant for the manufacturing of electric components of new energy vehicles, and other supporting facilities, at the consideration of RMB290,212,000.

The purpose of this circular is to provide you with details of the Construction Agreement and other information as required under the Listing Rules.

\* *For identification purpose only*

## LETTER FROM THE BOARD

### THE CONSTRUCTION AGREEMENT

A summary of the principal terms of the Construction Agreement are set out below:

#### Date

6 October 2023

#### Parties

- (i) New Focus Lighting & Power (Qingdao), a wholly-owned subsidiary of the Company; and
- (ii) the Contractor.

#### Scope of work

The Contractor will be responsible for the construction works of the Industrial Park, including the Production Plant and other supporting facilities in accordance with the technical specifications prescribed by the relevant government authorities in Laixi City, Qingdao City, Shandong Province, the PRC.

#### Construction period

The construction period of the work contemplated under the Construction Agreement will be approximately (i) 150 days for a gatehouse; and (ii) 330 days for the Production Plant.

The commencement date for the above construction work is to be notified in writing by New Focus Lighting & Power (Qingdao) to the Contractor, which was originally expected to take place in October 2023. However, as adjustments have had to be made to the design of the Production Plant (including the addition of solar panels onto the roof), due to change in business requirements and the introduction of new policy by the local government, the overall design of the Production Plant is expected to be finalized in mid-December 2023, and the commencement date for the construction work is expected to take place one to two weeks after the finalization of the design and in any event, not later than 31 December 2023.

For any delays to the completion of work caused by the Contractor, the Contractor shall pay liquidated damages at the rate of 0.0005% of the Consideration per day, with the maximum amount of liquidated damages payable being 5% of the Consideration.

## LETTER FROM THE BOARD

### Consideration

The aggregate Consideration payable by New Focus Lighting & Power (Qingdao) under the Construction Agreement is RMB290,212,000 comprising construction and installation fees of approximately RMB90.07 million and fees for the equipment for the clean rooms for the Production Plant of approximately RMB200.14 million, determined by New Focus Lighting & Power (Qingdao) with reference to the following factors:

- (i) the project area i.e. for exterior construction of approximately 40,000.28 square metres in total, for the Production Plant of approximately 25,824.48 square metres in total and for the gatehouse of approximately 25.84 square metres in total; and
- (ii) the cost index (造價指標), being the unit price calculated on a consolidated basis according to the design blueprint laying out the scope of the work or construction to be performed per unit (which for the construction of the Production Plant was based on the Shandong Provincial Consumption Quotas for Construction Works\* (山東省建築工程消耗量定額 (SD 01-31-2016))); and the expected cost of the project, taking into account costs of building materials (which for the construction of the Production Plant was based on the Qingdao Construction Materials Price and Cost Index\* (青島市建設工程材料價格及造價指數(2023年8月主要建材價格行情))) and labor costs (which was based on the Qingdao Municipal Housing and Urban-Rural Development Bureau on the Adjustment of the City's Construction Project Quota Labor Comprehensive Unit Price per Day Notice\* (青島市住房和城鄉建設局關於調整我市建設工程定額人工綜合工日單價的通知)), costs of materials (including expenses incurred in the testing, procurement and storage of materials), use of construction machinery fees, management fees, profit, all costs incurred for the completion of the responsibilities and increased costs due to various risks under the Construction Agreement and the specifications of the customized facilities to be constructed, from which a cost of work or construction per unit (i.e. exterior construction at an estimated RMB321 per square metre; Production Plant at an estimated RMB2,900 per square metre, gatehouse at an estimated RMB5,600 per square metre and the equipment fee at an estimated RMB7,750 per square metre) was determined through the Guanglinda Cloud Computing Platform\* (廣聯達雲計價平台GCC6.0), a software program commonly used in the PRC construction industry for calculating the consideration payable with reference to the abovementioned factors.

### Payment terms

The Consideration will be payable in the following manner:

- (i) an advance payment of RMB207,000,000 had been paid after the signing of the Construction Agreement (the "**Advance Payment**"), and such payment shall be applied to offset the Progress Payment in (ii) below. The construction of a clean room with a full set of customized equipment necessitates full payment in advance, which aligns with the industry norm;



## LETTER FROM THE BOARD

- (ii) in the course of construction, progress payments, the amount of which shall be calculated based on 75% of the assessed value of the construction work completed in that quarter, shall be payable on a quarterly basis (the “**Progress Payment**”);
- (iii) upon the completion of all construction works and New Focus Lighting & Power (Qingdao) having inspected the construction works and accepted the same, and completion of the settlement procedure, up to 97% of the Consideration shall be paid; and
- (iv) the remaining 3% of the Consideration, which will be withheld by New Focus Lighting & Power (Qingdao) as a quality assurance fee (the “**QA Fee**”), 80% of which shall be payable within 30 days after 2 years from the completion of the project, and the remainder of the QA Fee shall be payable within 30 days after 5 years (after deduction of expenses incurred by New Focus Lighting & Power (Qingdao) in the relevant maintenance works in relation to quality issues of the construction works under the Construction Agreement during the warranty period).

### **Condition Precedent**

The performance of the parties’ obligations under the Construction Agreement is conditional upon the approval by the Shareholders in accordance with the requirements of the Listing Rules. As of the date of the Construction Agreement, this condition has been satisfied as the Company has obtained written approval from its controlling Shareholder on same date.

### **Sub-contracting**

The Contractor is prohibited from sub-contracting work on core structures and critical work. Any sub-contracting by the Contractor must be subject to New Focus Lighting & Power (Qingdao)’s prior consent, as well as the sub-contractor’s qualifications and competence.

### **Warranty period**

During the warranty period, the Contractor shall be responsible for providing routine maintenance works and handling and fixing any quality issues of the construction works under the Construction Agreement in a timely manner:

- (i) Unless otherwise specified, the warranty period is 2 years from the date of the inspection and acceptance of the completed construction works by the Contractor pursuant to the Construction Agreement.
- (ii) The warranty period for waterproof and leak-proof works for lavatories, rooms and external walls is 5 years. The warranty period for decoration and renovation works, electric wires and pipelines, water pipes and installation of

## LETTER FROM THE BOARD

machineries is 2 years. The warranty period for the main structural construction is the reasonable useful life as stipulated under the relevant design document. The warranty period for heating and cooling systems is 2 heating periods and cooling periods, respectively.

- (iii) During the warranty period, the Contractor shall carry out maintenance works within 48 hours (or 12 hours if that is urgent maintenance work) after receiving notice of quality issues of the construction works under the Construction Agreement, failing which New Focus Lighting & Power (Qingdao) shall have the right to carry out maintenance works and deduct the relevant expenses from the QA Fee.

### FUNDING OF THE CONSIDERATION

The Group will settle the payment of the Consideration with the net proceeds raised from the Subscription and internal resources of the Group.

### FINANCIAL EFFECTS OF ENTERING INTO THE CONSTRUCTION AGREEMENT

Upon the full payment of the Consideration and the completion of the Construction, the cash and bank balance of the Group would decrease by RMB290,212,000, coupled with a corresponding increase in the Group's non-current assets by RMB290,212,000. The net asset value of the Group is expected to remain at a similar level without material changes as the increase in non-current assets will be offset by the decrease in cash and bank balance.

While there will not be any immediate material impact on the earnings of the Group upon completion of the Construction, the Directors believe that the completion of the Construction would have a positive impact on the Group's revenue in the long run.

### INFORMATION OF THE PARTIES

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 Lighting & Power (Qingdao) is a limited liability company established in the PRC which is a wholly-owned subsidiary of the Company, and is principally engaged in the manufacture of mechanical and electrical equipment; sales of automobile accessories and non-ferrous metal alloys in the PRC.

## LETTER FROM THE BOARD

The Contractor is a limited liability company incorporated in the PRC principally engaged in the construction business, including but not limited to plant planning and design, project management, maintenance and renovation, decoration and furnishing, and conducting safety assessments. The Contractor possesses a 建築業企業資質證書 (construction enterprise qualification certificate\*) and 建築施工企業安全生產許可證 (safety production permit for construction enterprises\*) and is directly wholly owned by 郭斌 (Guo Bin\*).

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

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION AGREEMENT**

The Industrial Park will be situated in Laixi City, Qingdao City, Shandong Province, the PRC. The Production Plant is intended to be developed into a production plant of the Group for the manufacturing of electric components of new energy vehicles. As already disclosed in the circular dated 29 July 2021, the Board is of the view that the construction of the Industrial Park represents a good opportunity for the Company to enhance its capabilities in product development and upgrade its manufacturing infrastructure and sales platforms, and further expand the scale of product production and improve operating efficiency.

The Contractor was selected by the Group for the construction work through a competitive negotiation process with three contractors. The Construction Agreement was awarded to the Contractor after thorough evaluation of factors including but not limited to the experience and capability of the three contractors, the expected scope of work and the expected cost of the construction project. New Focus Lighting & Power (Qingdao) considers that the Contractor is able to provide up to standard construction services for implementing the Construction Agreement.

In view of the above, the Board considers that the terms of the Construction Agreement and the transaction contemplated thereunder are on normal commercial terms and are fair and reasonable, and the entering into the Construction Agreement is in the interests of the Company and the Shareholders as a whole.

## LETTER FROM THE BOARD

### IMPLICATIONS OF THE LISTING RULES

As one of the applicable percentage ratios under the Listing Rules exceeds 25% but is less than 100%, the transaction contemplated under the Construction Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or any of their respective associates have any material interest in the Construction Agreement and the transactions contemplated thereunder, therefore no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Construction Agreement and the transactions contemplated thereunder.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of holding an extraordinary general meeting, Shareholders' written approval on the Construction Agreement and the transactions contemplated thereunder has been obtained from Daodu (HK), the controlling Shareholder, which held 10,449,312,134 Shares, representing 60.69% of the total issued Shares as at the Latest Practicable Date. As such, no extraordinary general meeting will be convened by the Company for the purpose of approving the Construction Agreement and the transactions contemplated thereunder.

### RECOMMENDATION

Although no extraordinary general meeting will be convened, the Directors (including the independent non-executive Directors) consider that the Construction Agreement was entered into on normal commercial terms, and that the terms of the Construction Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. If an extraordinary general meeting was to be convened for approving the Construction Agreement, the Board would recommend the Shareholders to vote in favour of the resolution(s) to approve the Construction Agreement and the transactions contemplated thereunder at such extraordinary general meeting.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

## 1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023 are disclosed in the annual reports of the Company for the years ended December 2020, 2021 and 2022, and the interim report of the Company for the six months ended 30 June 2023 respectively, which have been published and are available on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and of the Company (<https://www.nfa360.com/en/>):

- (i) for the six months ended 30 June 2023 has been disclosed on pages 3 to 23 of the Company's 2023 interim report published on 25 September 2023 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0925/2023092500920.pdf>);
- (ii) for the year ended 31 December 2022 has been disclosed on pages 62 to 155 of the Company's 2022 annual report published on 28 April 2023 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042701569.pdf>);
- (iii) for the year ended 31 December 2021 has been disclosed on pages 59 to 163 of the Company's 2021 annual report published on 30 April 2022 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042902754.pdf>); and
- (iv) for the year ended 31 December 2020 has been disclosed on pages 57 to 171 of the Company's 2020 annual report published on 30 April 2021 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042901489.pdf>).

## 2. INDEBTEDNESS

As at the close of business on 30 September 2023, being the latest practicable date for the purpose of the statement of indebtedness prior to the printing of this circular, the Group had outstanding indebtedness as follows:

- (i) bank and other borrowings of approximately RMB273,219,000, including secured and guaranteed borrowings of approximately RMB48,223,000, secured and unguaranteed borrowings of approximately RMB159,865,000, unsecured and guaranteed borrowings of approximately RMB5,612,000, and unsecured and unguaranteed borrowings of approximately RMB59,520,000. The Group's bank and other borrowings were secured by its assets, including property, plant and equipment, right-of-use asset, investment properties and inventory;
- (ii) unsecured and unguaranteed borrowings of related parties of approximately RMB14,931,000;
- (iii) unsecured and unguaranteed lease liabilities of approximately RMB91,000; and

- (iv) contingent liabilities of approximately RMB12,178,000 in respect of claims made by relevant third parties against the subsidiaries of the Company.

#### **Disclaimer**

The Directors confirm that, as of 30 September 2023, being the latest practicable date for the purpose of the statement of indebtedness, save as disclosed above and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any other outstanding borrowings, mortgages, charges, debentures, loan capital and overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities.

Save as aforesaid, the Directors confirm that there had been no material change to the indebtedness and contingent liabilities of the Group since 30 September 2023 and up to the Latest Practicable Date.

### **3. WORKING CAPITAL**

The Directors, are of the opinion that, taking into account its existing cash and bank balances and other internal resources available, the Group will have sufficient working capital for its present requirements and for at least 12 months from the date of publication of this circular in the absence of unforeseen circumstances.

### **4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group's principal businesses have a vast market with still much room for growth. The Group will continue to strengthen its management and enhance the operating results of all its businesses as soon as possible.

The automobile dealership industry is expected to remain under certain pressure in the near term. To improve the Group's operating results, the Group plans to focus on the following operating strategies in 2023:

Firstly, in light of the growing market demand for new energy vehicles, the Group will actively acquire the distribution rights of proprietary new energy vehicle brands, and enhance the Group's ancillary service facilities for new energy vehicles; and

Secondly, the Group will continue to consolidate the Group's existing businesses, optimise the Group's personnel structure and phase out underperforming employees, so as to reduce labour costs.

In terms of the production and operation of the manufacturing business, the research and development (“R&D”) of high-power inverters and energy storage products progressed smoothly. Well-known international customers received the first batch of new products after trial production. The follow-up R&D of the series of products are progressing steadily. Due to the drastic decline in market demand for pre-installation commercial vehicles, revenue from the domestic trade business dropped significantly. However, the R&D of new products and procurement of new customers in the domestic trade business are progressing smoothly, and the manufacturing business of the Group has become the designated supplier of a heavy truck manufacturer, which ranks among the top five in China. As the domestic trade business is anticipating market recovery, we will continue to promote the R&D of new products and procurement of new customers. Although the construction progress of the Vietnam factory has been hindered by the pandemic, we will still seek to send our engineering and technical management personnel to Vietnam.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests of Directors and Chief Executives

As at the Latest Practicable Date, to the best knowledge of the Directors and chief executive of the Company, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be recorded in the register maintained by the Company under section 352 of the SFO, or required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

### (b) Substantial Shareholders' interests

As at the Latest Practicable Date, to the best knowledge of the Directors and chief executive of the Company, the following persons (other than the Director or chief executive of the Company) had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was, directly or indirectly, interested in 10% or more of the total issued Shares carrying rights to vote in all circumstances at general meetings of any other member of the Company (if any) or had any options in respect of such Shares:

Name of substantial shareholder	Capacity/ Nature of interest	Number of Shares interested (Note 1)	Approximate percentage of issued Shares (Note 2)
Daodu (HK)	Beneficial owner	10,449,312,134 (L)	60.69%
Shenzhen Daodu Industrial Limited Company* (深圳道度實業有限公司) (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%



Name of substantial shareholder	Capacity/ Nature of interest	Number of Shares interested (Note 1)	Approximate percentage of issued Shares (Note 2)
Qingdao Guorui Chunxi Industrial Limited Company* (青島國瑞春熙實業有限責任公司) (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%
Qingdao Guorui Xin Fuke Investment Center, L.P.* (青島國瑞新福克斯投資中心(有限合夥)) (the "Fund") (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%
Chunxi Asset Management (Beijing) Co., Ltd.* (春熙資產管理(北京)有限公司) ("Chunxi AM") (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%
Luo Xiaoman (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%
Qingdao Guorui Hengda Investment Development Co., Ltd.* (青島國瑞恒達投資開發有限公司) ("Guorui Hengda") (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%
Qingdao Changyang Group Co., Ltd.* (青島昌陽集團有限公司) (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%
Laixi State-owned Assets Investment Service Center* (萊西市國有資產投資服務中心) (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%
Qingdao Lingdu Venture Capital Management Co., Ltd.* (青島零度創業投資管理有限公司) (the "General Partner") (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%
Wuhan Zero Innovation Venture Capital Management Co., Ltd.* (武漢零度創新創業投資管理有限公司) (the "Investment Manager") (Note 3)	Investment Manager	10,449,312,134 (L)	60.69%
Wuhan Lingdu Capital Investment and Management Co., Ltd.* (武漢零度資本投資管理有限公司) (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%
Wuhan Optics Valley Union Group Company Limited* (武漢光谷聯合集團有限公司) ("OVU") (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%

Name of substantial shareholder	Capacity/ Nature of interest	Number of Shares interested (Note 1)	Approximate percentage of issued Shares (Note 2)
Optics Valley Union Holding Limited Company* (光谷聯合控股有限公司) (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%
China Electronics Optics Valley Union Company Limited (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%
AAA Holdings Limited (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%
China Electronics Optics Valley Union Holding Company Limited (“CEOVU”) (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%
Huang Liping (Note 3)	Interest in a controlled corporation	10,449,312,134 (L)	60.69%
CDH Fast Two Limited	Beneficial Owner	1,614,776,043 (L)	9.38%
CDH Fast One Limited (Note 4)	Interest in a controlled corporation	1,614,776,043 (L)	9.38%
Fast Point Limited (Note 4)	Interest in a controlled corporation	1,614,776,043 (L)	9.38%
CDH Fund IV, L.P. (Note 4)	Interest in a controlled corporation	1,614,776,043 (L)	9.38%
CDV IV Holdings Company Limited (Note 4)	Interest in a controlled corporation	1,614,776,043 (L)	9.38%
China Diamond Holdings IV, L.P. (Note 4)	Interest in a controlled corporation	1,614,776,043 (L)	9.38%
China Diamond Holdings Company Limited (Note 4)	Interest in a controlled corporation	1,614,776,043 (L)	9.38%
Law Wei	Beneficial owner	1,180,000,000 (L)	6.85%

*Notes:*

1. The letter “L” denotes a long position in the shares.
  2. The percentage represents the number of Shares interested divided by the total number of issued Shares as at the Latest Practicable Date of 17,216,948,349.
  3. Each of (i) Shenzhen Daodu Industrial Limited Company\* (深圳道度實業有限公司) (as the sole shareholder of Daodu (HK)); (ii) Qingdao Guorui Chunxi Industrial Limited Company\* (青島國瑞春熙實業有限責任公司) (as the sole shareholder of Shenzhen Daodu Industrial Limited Company\* (深圳道度實業有限公司)); (iii) the Fund (which directly owns 99.11% of Qingdao Guorui Chunxi Industrial Limited Company\* (青島國瑞春熙實業有限責任公司)); (iv) Chunxi AM (which directly owns 50.92% of the Fund); (v) Luo Xiaoman (who directly owns 82.50% of Chunxi AM); (vi) Guorui Hengda (which directly owns 48.92% of the Fund); (vii) Qingdao Changyang Group Co., Ltd.\* (青島昌陽集團有限公司) (as the sole shareholder of Guorui Hengda); (viii) Laixi State-owned Assets Investment Service Center\* (萊西市國有資產投資服務中心) (as the sole shareholder of Qingdao Changyang Group Co., Ltd.\* (青島昌陽集團有限公司)); (ix) the General Partner (as the general partner of the Fund); (x) the Investment Manager (as the investment manager of the Fund); (xi) Wuhan Lingdu Capital Investment and Management Co., Ltd.\* (武漢零度資本投資管理有限公司) (as the sole shareholder of the General Partner); (xii) OVU (which directly owns 45% of Wuhan Lingdu Capital Investment and Management Co., Ltd.\* (武漢零度資本投資管理有限公司)); (xiii) Optics Valley Union Holding Limited Company\* (光谷聯合控股有限公司) (as the sole shareholder of OVU); (xiv) China Electronics Optics Valley Union Company Limited (as the sole shareholder of Optics Valley Union Holding Limited Company\* (光谷聯合控股有限公司)); (xv) AAA Holdings Limited (as the sole shareholder of China Electronics Optics Valley Union Company Limited); (xvi) CEOVU (as the sole shareholder of AAA Holdings Limited); and (xvii) Huang Liping (who indirectly owns 25.14% of CEOVU and ultimately and beneficially owns 80% and 40% of two limited partnerships which directly owns 30% and 25% of Wuhan Lingdu Capital Investment and Management Co., Ltd.\* (武漢零度資本投資管理有限公司), respectively), is deemed to be interested in the Shares under the SFO.
  4. Each of CDH Fast One Limited (as the sole shareholder of CDH Fast Two Limited); Fast Point Limited (as the sole shareholder of CDH Fast One Limited); CDH Fund IV, L.P. (as the sole shareholder of Fast Point Limited); CDH IV Holdings Company Limited (as the general partner of CDH Fund IV, L.P.); China Diamond Holdings IV, L.P. (as the controlling shareholder of CDH IV Holdings Company Limited); and China Diamond Holdings Company Limited (as the general partner of China Diamond Holdings IV, L.P.) is deemed to be indirectly interested in the Shares under the SFO.
  5. None of the Directors is employee or director of the above-mentioned substantial Shareholders.
- \* The English names are transliterations of their respective Chinese names which have not been registered.

Save as aforesaid, as at the Latest Practicable Date, to the best knowledge of the Directors and chief executive of the Company, no person had any interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the total issued Shares carrying rights to vote in all circumstances at general meetings of any other member of the Company (if any) or who had any option in respect of such Shares.

#### 4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2022, the date to which the latest published audited financial statements of the Group were made up. There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors was materially interested and which was significant in relation to the business of the Group as a whole.

#### 5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates were considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, other than those businesses to which the Directors and his/her associates were appointed to represent the interests of the Company and/or the Group.

#### 6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

#### 7. LITIGATION

As at the Latest Practicable Date, save for the litigation below, the Directors were not aware of any litigation or claims of material importance which were pending or threatened against any members of the Group:

(i) **Ningbo Jiche against Inner Mongolia Chuangying**

Inner Mongolia Chuangying Automobile Co., Ltd. (a wholly-owned subsidiary of the Company) ("**Inner Mongolia Chuangying**") was served with a summons as one of the defendants and was required to attend a court hearing on 28 June 2023 in a lawsuit filed by Ningbo Jiche Trading Co., Ltd.\* (寧波極車貿易有限公司) ("**Ningbo Jiche**") as the plaintiff alleging Inner Mongolia Chuangying breached

a sales contract between them by not paying the outstanding amount of RMB8,506,800. The claims of Ningbo Jiche against Inner Mongolia Chuangying are as follows:

- (1) request before the court for a ruling that Inner Mongolia Chuangying shall pay the outstanding amount of RMB8,506,800 and compensate Ningbo Jiche for losses due to the overdue payment (calculated based on RMB8,506,800, multiplied by 1.5 times of the one-year loan prime rate (LPR) published by the National Interbank Funding Center authorized by the People's Bank of China commencing from 9 October 2019 until the actual payment date). The calculated loss was RMB2,160,106.9 as of 14 April 2023;
- (2) request before the court for a ruling that Inner Mongolia Chuangying shall pay RMB1,010,680 as liquidated damages;
- (3) request before the court for a ruling that Inner Mongolia Chuangying shall compensate Ningbo Jiche the legal fees of RMB500,000; and
- (4) request before the court for a ruling that Inner Mongolia Chuangying shall bear the litigation costs and the preservation fees.

As the case was ordered by Hohhot Huimin District People's Court to be transferred to the Beijing Dongcheng District People's Court for trial, no hearing has yet to be scheduled. As at the Latest Practicable Date, such order had taken effect. But as the case is being transferred and no date has been fixed for the trial, there is no substantive progress with the case. Inner Mongolia Chuangying is currently seeking legal advice and will proactively respond to the case.

For further details, please refer to the inside information announcement issued by the Company on 5 June 2023.

## **8. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, the date to which the latest published audited consolidated financial statements of the Group were made up.

## 9. MATERIAL CONTRACTS

As at the Latest Practicable Date, save for the contracts below, no material contracts (not being contracts entered into in the ordinary course of business) had been entered into by members of the Group within the two years preceding the issue of this circular:

1. a loan agreement dated 15 December 2022 (the “**First Loan Agreement**”) entered into between New Focus Lighting & Power (Qingdao) and JingHang DaYun (Beijing) Technology Co., Ltd.\* (京行大運(北京)科技有限公司) (“**Jinghang Dayun**”), a company incorporated in the PRC with limited liability, and wholly owned by 晁彪 (Chao Biao\*) in relation to the unsecured loan in the principal amount of RMB205,005,000 with an interest rate of 5% per annum granted by New Focus Lighting & Power (Qingdao) to Jinghang Dayun for a term of three months from the date of the First Loan Agreement (the “**First Loan**”);
2. two agreements each dated 30 December 2022 entered into between (a) New Focus Lighting & Power (Qingdao), Jinghang Dayun and Baotou Shuo Zheng Trading Co., Ltd.\* (包頭市碩正商貿有限公司) (“**Baotou Shuo Zheng**”), a company incorporated in the PRC with limited liability, and ultimately beneficially owned by 趙佳樂 (Zhao Jiale\*) and (b) New Focus Lighting & Power (Qingdao), Jinghang Dayun and Shanghai Yaran Equity Investment Management Co., Ltd.\* (上海亞冉股權投資管理有限公司) (“**Shanghai Yaran**”), a company incorporated in the PRC with limited liability, and ultimately beneficially owned by 張千山 (Zhang Qianshan\*), respectively, pursuant to which Jinghang Dayun authorized Baotou Shuo Zheng and Shanghai Yaran to repay RMB150,000,000 and RMB30,000,000 on its behalf, respectively, to New Focus Lighting & Power (Qingdao);
3. an extension agreement (“**Extension Agreement**”) dated 31 December 2022 and entered into between New Focus Lighting & Power (Qingdao) and Jinghang Dayun relating to the extension of maturity date to one year from the date of the Extension Agreement for the remaining amount of the First Loan of RMB25,005,000;
4. three agreements each dated 1 January 2023 supplemental to the First Loan Agreement entered into between (a) New Focus Lighting & Power (Qingdao), Jinghang Dayun and Baotou Shuo Zheng; (b) New Focus Lighting & Power (Qingdao), Jinghang Dayun and Shanghai Yaran; and (c) New Focus Lighting & Power (Qingdao) and Jinghang Dayun, respectively, regarding part of the First Loan in an aggregate of RMB180,000,000 that was repaid on 31 December 2022, of which RMB150,000,000 was repaid by Baotou Shuo Zheng and RMB30,000,000 was repaid by Shanghai Yaran, both as designated by Jinghang Dayun (the “**Repaid Loan**”), pursuant to which New Focus Lighting & Power (Qingdao) refunded the repayment of RMB150,000,000 and RMB30,000,000 to

Baotou Shuo Zheng and Shanghai Yaran, respectively, and the total amount of the outstanding First Loan resumed back to RMB205,005,000 at that material time;

5. a loan agreement dated 3 January 2023 (the “**Second Loan Agreement**”) entered into between New Focus Lighting & Power (Qingdao) and Jinghang Dayun in relation to the unsecured loan in the maximum principal amount of RMB300,000,000 with an interest rate of 5% per annum granted by New Focus Lighting & Power (Qingdao) to Jinghang Dayun for a term commencing from the date of the Second Loan Agreement until 30 April 2023 (the “**Second Loan**”);
6. a partnership agreement dated 2 July 2023 entered into between New Focus Technology (Beijing) Co., Ltd.\* (紐福克斯科技(北京)有限公司) (“**New Focus (Beijing)**”) (an indirect wholly-owned subsidiary of the Company), Tianjin Yun Qi Tian Technology Co., Ltd.\* (天津雲啟天科技有限公司) (“**Tianjin Yun Qi Tian**”), Yanshi Hongyuan 11 (Pingtan) Investment Partnership (Limited Partnership) (“**Yanshi Hongyuan**”) and Beijing Xifu Technology Co., Ltd.\* (北京嘻福科技有限公司) (“**Beijing Xifu**”) for the establishment of Tianjin Hongzhuo Enterprise Management Center (Limited Partnership)\* (天津宏卓企業管理中心(有限合夥)) (“**Tianjin Hongzhuo**”). The total amount of capital commitments of Tianjin Hongzhuo is RMB290.2 million, of which Tianjin Yun Qi Tian (as a general partner) and Yanshi Hongyuan (as a general partner and an executive partner) will each contribute RMB0.1 million, while New Focus (Beijing) and Beijing Xifu (as limited partners) will contribute RMB140 million and RMB150 million, respectively;
7. a partnership agreement dated 27 September 2023 entered into between Newtec Lighting and Power Technology Co., Ltd.\* (紐泰克光電科技有限公司) (“**Newtec**”) (a direct wholly-owned subsidiary of the Company), New Focus (Beijing) and Mianyang Science and Technology City New District Xintou Industrial Development Co., Ltd.\* (綿陽科技城新區新投產業發展有限責任公司) (“**Mianyang Xintou**”) (a state-owned company) for the establishment of 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)) (the “**Limited Partnership**”). The total amount of capital commitments of the Limited Partnership is RMB291 million, of which New Focus (Beijing) (as a limited partner) and Mianyang Xintou (as a limited partner) will each contribute RMB145 million, while Newtec (as a general partner and an executive partner) will contribute RMB1 million, respectively;
8. an investment agreement dated 6 October 2023 entered into between 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), the Limited Partnership (as investor), New Focus (Beijing), Botong Mingda (Tianjin) Hydrogen Energy Technology Co., Ltd.\* (博通明達(天津)氫能科技有限公司) (“**Botong**”) and Shanghai Refire Energy Technology Co., Ltd.\* (上海重塑能源科技有限公司) (“**Shanghai Refire**”) relating to the capital contribution

of RMB50 million by the Limited Partnership to Jinyi. Jinyi is a company established between New Focus (Beijing), Botong and Shanghai Refire. The total amount of capital commitments of Jinyi is RMB100 million, of which New Focus (Beijing), Botong and Shanghai Refire will each contribute RMB60 million, RMB35 million and RMB5 million, respectively;

9. a convertible loan agreement dated 6 October 2023 entered into between Jinyi (as borrower), the Limited Partnership (as lender), New Focus (Beijing), Botong and Shanghai Refire relating to a convertible loan in the maximum principal amount of RMB235 million with an interest rate of 6% per annum provided by the Limited Partnership to support the development of Jinyi;
10. a sale and purchase agreement dated 6 October 2023 entered into between Jinyi (an indirect non wholly-owned subsidiary of the Company) and Zheda Tongbo (Tianjin) Technology Co., Ltd.\* (哲達通博(天津)科技有限公司) for the sale and purchase of a fuel cell systemic integration production line and its related equipment and services for an aggregate consideration of RMB298 million (tax advice); and
11. the Construction Agreement.

## 10. GENERAL

- i. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. Its principal place of business in Hong Kong is in 5/F, 180 Hennessy Road, Wan Chai, Hong Kong.
- ii. The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- iii. The company secretary of the Company is Mr. Liu Xiaohua, who is a licensed attorney under the State Bar of California and an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries).
- iv. The English text of this circular shall prevail over the Chinese text.

## 11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Construction Agreement will be on display on the websites of the Company (<https://www.nfa360.com/en/>) and the Stock Exchange (<http://www.hkexnews.hk>) for a period of not less than 14 days from the date of this circular.

\* For identification purposes only