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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)

INSIDE INFORMATION UPDATE REGARDING THE LITIGATION INVOLVING A WHOLLY-OWNED SUBSIDIARY

This announcement is made by New Focus Auto Tech Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 19 June 2023 (the “**Announcement**”) in relation to the lawsuit filed by Chifeng Lifeng as the plaintiff, against Inner Mongolia Chuangying (a wholly-owned subsidiary of the Company) as one of the defendants. Unless otherwise defined, capitalised terms used herein have the same meanings as those defined in the Announcement.

Inner Mongolia Chuangying recently received another summons and is required to attend a court hearing on 30 August 2023 together with an “Application for Claims Amendment” filed by Chifeng Lifeng (the “**Application**”). According to the Application, Chifeng Lifeng alleged that Lifeng Dingsheng (one of the defendants) abused its status as the former controlling shareholder of Chifeng Lifeng to transfer equity interests in twelve operating companies under the Equity Transfer Agreements to Inner Mongolia Chuangying, without providing any payment. Such transfer of equity interests without proper consideration is deemed a

violation of Chifeng Lifeng's property rights. Inner Mongolia Chuangying shall also be liable subjectively for engaging in such conduct by receiving Chifeng Lifeng's assets without payment. The actions of Lifeng Dingsheng and Inner Mongolia Chuangying are closely intertwined and collectively constitute a legal infringement, for which both of them shall be held jointly liable for compensating Chifeng Lifeng for the losses suffered therefrom. Chifeng Lifeng had amended its claims as follows:

- (1) request before the court for a ruling that Inner Mongolia Chuangying and Lifeng Dingsheng shall compensate Chifeng Lifeng for an aggregate amount of RMB39,998,791.96; and
- (2) request before the court for a ruling that Inner Mongolia Chuangying and Lifeng Dingsheng shall bear all costs including the litigation costs, the preservation fees and others.

The Group is currently taking legal advice as to the implication of the Application and assessing the possible contingent liabilities that may result from the above amended claims to the Group. Inner Mongolia Chuangying will continue to actively respond to the above lawsuit. Due to the ongoing litigation and the uncertainty regarding the implementation and execution of the post-trial rulings, the impact on the Group's current or subsequent financial position is uncertain. The Company will make further announcement(s) in a timely manner if there is any progress of the litigation to keep its shareholders and potential investors informed of any significant development as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 29 August 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 purposes only*