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## **Xinyi Automobile Glass Hong Kong Enterprises Limited**

**信義汽車玻璃香港企業有限公司**

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

**(Stock Code: 08328)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2019**

#### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the board (the “**Board**”) of the directors (the “**Directors**”) of Xinyi Automobile Glass Hong Kong Enterprises Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with The Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (together, the “**Group**”). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The Board is pleased to present the unaudited consolidated results of the Group for the three months ended 31 March 2019 together with the comparative unaudited figures for the three months ended 31 March 2018 as follows.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the three months ended 31 March 2019*

		<b>Three months ended</b>	
		<b>31 March</b>	
	<i>Notes</i>	<b>2019</b>	<b>2018</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	<b>2</b>	<b>40,393</b>	26,960
Cost of revenue		<u>(29,970)</u>	<u>(19,434)</u>
<b>Gross profit</b>		<b>10,423</b>	7,526
Other income		<b>806</b>	1,654
Other (losses)/gains, net		<b>(1,076)</b>	(79)
Selling and marketing costs		<b>(1,043)</b>	(1,543)
Administrative expenses		<u><b>(5,834)</b></u>	<u>(4,654)</u>
<b>Operating profit</b>		<b>3,276</b>	2,904
Finance income		<b>636</b>	48
Finance costs		<u>—</u>	<u>(190)</u>
<b>Profit before income tax</b>		<b>3,912</b>	2,762
Income tax expense	<b>3</b>	<u><b>(475)</b></u>	<u>(860)</u>
<b>Profit for the period</b>		<u><b>3,437</b></u>	<u>1,902</u>
<b>Other comprehensive income:</b>			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Currency translation differences		<u><b>4,726</b></u>	<u>7,425</u>
<b>Total comprehensive income attributable to owners of the Company</b>		<u><b>8,163</b></u>	<u>9,327</u>
			Restated
<b>Basic and diluted earnings per share (HK cents)</b>	<b>5</b>	<u><b>0.53</b></u>	<u>0.34</u>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2019

					Financial asset at fair value through other comprehensive Share				
	Share capital	Share premium	Capital reserves	option reserves	Exchange reserves	income reserves	Statutory reserves	Retained profit	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Balance at 1 January 2019</b>									
(Audited)	6,481	233,987	13,587	3,058	(5,259)	9,939	6,616	108,065	376,474
<b>Comprehensive income</b>									
Profit for the period	—	—	—	—	—	—	—	3,437	3,437
Other comprehensive income	—	—	—	—	4,726	—	—	—	4,726
<b>Total comprehensive income</b>	—	—	—	—	4,726	—	—	3,437	8,163
<b>Transactions with owners</b>									
Employee's share option scheme:									
— Value of employee services	—	—	—	36	—	—	—	—	36
<b>Balance at 31 March 2019</b>									
(Unaudited)	6,481	233,987	13,587	3,094	(533)	9,939	6,616	111,502	384,673
<b>Balance at 1 January 2018</b>									
(Audited)	5,401	36,175	13,587	2,951	5,529	4,178	615	54,970	123,406
<b>Comprehensive income</b>									
Profit for the period	—	—	—	—	—	—	—	1,902	1,902
Other comprehensive income	—	—	—	—	7,425	—	—	—	7,425
<b>Total comprehensive income</b>	—	—	—	—	7,425	—	—	1,902	9,327
<b>Transactions with owners</b>									
Employee's share option scheme:									
— Value of employee services	—	—	—	14	—	—	—	—	14
<b>Balance at 31 March 2018</b>									
(Unaudited)	5,401	36,175	13,587	2,965	12,954	4,178	615	56,872	132,747

**Notes:**

**1. BASIS OF PRESENTATION AND PREPARATION**

Except for the adoption of new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which are effective for the Group’s financial year beginning on 1 January 2019, the accounting policies applied in preparing this unaudited condensed consolidated financial information for the three months ended 31 March 2019 are consistent with those of the annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with HKFRSs.

The Group has not applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective. The Group has commenced an assessment of the impact of these new standards and amendments, but is not yet in a position to state whether they would have a significant impact on its results and financial position.

The unaudited condensed consolidated financial information is presented in Hong Kong dollars (“**HK\$**”) which is the same as the functional currency of the Company.

**2. REVENUE**

An analysis of the revenue from the Group’s principal activities, which is also the Group’s turnover are as follows:

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2019</b>	<b>2018</b>
	<b>HK\$’000</b>	<b>HK\$’000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Battery pack and energy storage system	<b>15,245</b>	11,133
Production and sales of lithium battery products	<b>5,253</b>	857
Sales of automobile glass with installation and repair services	<b>11,510</b>	12,485
Sales of forklift	<b>7,862</b>	1,896
Wind farm management service	<b>523</b>	589
	<b>40,393</b>	26,960

### 3. INCOME TAX EXPENSE

	Three months ended	
	31 March	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax		
– Hong Kong profits tax (Note (a))	61	278
– PRC corporate income tax (“CIT”) (Note (b))	414	582
	<u>475</u>	<u>860</u>

*Notes:*

- (a) Hong Kong profits tax has been provided at the two-tiered rate of 8.25% for the first HK\$2 million of the estimated assessable profits for one of the Group’s Hong Kong subsidiaries for the period and 16.5% on the remaining estimated assessable profits for the period.
- (b) CIT is provided on the estimated taxable profits of its subsidiaries established in the PRC for the period, calculated in accordance with the relevant tax rules and regulations.

### 4. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2019 (2018: Nil).

## 5. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

The figure for the comparative period has been re-stated by adjusting for bonus elements in ordinary share issued as a result of the rights issue completed in May 2018.

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2019</b>	2018
	<b>(Unaudited)</b>	(Unaudited)
		(Restated)
Profit attributable to owners of the Company		
(HK\$'000)	<b>3,437</b>	1,902
Weighted average number of ordinary shares in issue		
(thousands)	<b>648,136</b>	554,816
Basis earnings per share (HK cents)	<b>0.53</b>	0.34

**(b) Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares from share options. The calculation for share options is determined by the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the period) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share (2018: outstanding share option was anti-dilutive).

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2019</b>	2018
	<b>(Unaudited)</b>	(Unaudited)
		(Restated)
Profit attributable to owners of the Company used to determine the diluted earnings per share (HK\$'000)	<b>3,437</b>	1,902
Weighted average number of ordinary shares in issue (thousands)	<b>648,136</b>	554,816
Adjustment for share option (thousands)	<b>23</b>	—
	<b>648,159</b>	554,816
Diluted earnings per share (HK cents)	<b>0.53</b>	0.34

Basic earnings per share and diluted earnings per share for the three months ended 31 March 2018 have been restated to take into account the effects of the bonus element in ordinary shares issued as a result of the rights issue of the Company completed in May 2018.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND PROSPECTS**

#### **New Energy — Energy Storage Products and Battery Pack System Business, Production and Sales of Lithium Battery Products, together with Trading of Forklifts**

Products of the Group are delivered mainly in integrated system comprising lithium batteries, battery management system, and/or other components like energy management system and power conditioning system.

Two of the Group's customers for power batteries and battery pack system are engaged in the production of forklifts. The Group has also agreed with these two customers to source forklifts from them and the Group engages in the trading of forklifts powered by its lithium batteries. Such arrangement brings synergies effect in boosting the sales of both lithium battery products as well as forklift, contributing an additional source of revenue for the Group.

The Group also engages in the development and sale of energy storage facilities with lithium batteries, like large-scale power banks for manufacturing facilities to facilitate load shifting and power stabilization, uninterruptible power supply (UPS) and power banks for households. The energy storage products have been delivered for sale since the first quarter of 2018.

#### **New Energy — Wind Power Business**

The Group holds 18% equity interest in Xinyi Wind Power (Jinzhai) Company Limited (“**Xinyi Wind**”). Xinyi Wind has a wind farm in Anhui Province with grid connection completed in the fourth quarter of 2017.

The Group has formed a team of technicians for the development, operation and maintenance of wind power farms. The team provides management services to Xinyi Wind since the third quarter of 2017.

#### **Vehicle Glass Repair and Replacement Business**

The Group currently has four service centres and a motorcade service team with 21 vehicles for the provision of its services.

## FINANCIAL REVIEW

### Revenue

For the three months ended 31 March 2019, the Group's revenue was HK\$40.4 million (2018: HK\$27.0 million), representing an increase by 49.8% mainly attributable to the increase in revenue contributed by sales of battery pack and energy storage system, lithium battery products and forklifts as analysed as follows:

#### *Revenue — by segment*

	Three months ended 31 March					
	2019		2018		Increase	
	HK\$'million	%	HK\$'million	%	HK\$'million	%
Battery pack and energy storage system	15.2	37.8	11.1	41.3	4.1	36.9
Production and sales of lithium battery products	5.3	13.0	0.9	3.2	4.4	512.9
Sale of automobile glass with installation and repair services	11.5	28.5	12.5	46.3	(1.0)	(7.8)
Others:						
Trading of forklift	7.9	19.4	1.9	7.0	6.0	314.7
Wind farm related business	0.5	1.3	0.6	2.2	(0.1)	(11.2)
Total revenue	40.4	100	27.0	100	13.4	49.8

## **Cost of revenue and gross profit**

Cost of revenue comprised of HK\$10.8 million (2018: HK\$8.1 million) arising from the battery pack and energy storage system business, HK\$4.4 million (2018: HK\$0.7 million) arising from lithium battery products business, HK\$8.7 million (2018: HK\$8.7 million) arising from the sales of automobile glass with installation and repair services business, and HK\$6.1 million (2018: HK\$1.9 million) arising from others (trading of forklifts and wind farm related business).

Cost of revenue for the battery pack and energy storage system business of HK\$10.8 million (2018: HK\$8.1 million) and cost of revenue of lithium battery products business of HK\$4.4 million (2018: HK\$0.7 million) mainly represent the material cost, labour cost, depreciation expenses and rental expenses of the factory premises.

Cost of revenue arising from sales of automobile glass with installation and repair services remain relatively constant at HK\$8.7 million. The gross profit decreased by 26.2% from approximately HK\$3.8 million for the three months ended 31 March 2018 to approximately HK\$2.8 million for the three months ended 31 March 2019 mainly due to the rental and the other overhead expenses (including labour costs) were generally stable, while revenue decreases.

Cost of revenue of others mainly comprise of the purchase cost of forklifts and the staff costs for the wind farm related business.

## **Expenses**

Selling and marketing costs for the period decreased by approximately HK\$0.5 million which was mainly due to decrease in employee benefit expenses for the relevant activities.

Administrative expenses increased by approximately HK\$1.1 million from HK\$4.7 million for the three months ended 31 March 2018 to approximately HK\$5.8 million for the three months ended 31 March 2019, primarily due to the increase in research and development costs of HK\$0.4 million and increase in emoluments of HK\$0.6 million paid to the staff and directors.

## Profit attributable to owners of the Company

Profit attributable to owners of the Company for the three months ended 31 March 2019 amounted to HK\$3.4 million (2018: HK\$1.9 million). The increase in the profitability was mainly attributable to the operating performance of the Group as analysed above.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2019, the interests of the Directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and The Stock Exchange pursuant to the model code for securities transactions by Directors of the Company (the “**Model Code**”), were as follows:

### (i) Long position in the Shares

Director/ Chief Executive	Capacity	Name of the controlled corporations	Number of issued ordinary shares held	Percentage of the issued share capital of the Company (%)
Mr. TUNG Ching Sai	Interest in a controlled corporation	Copark <sup>(3)</sup> (as defined below)	37,039,885	5.71
		Full Guang <sup>(1)</sup> (as defined below)	4,436,100	0.68
	Personal interest/ Spouse interest <sup>(3)</sup>		96,977,100	14.96
	Interest in persons acting in concert <sup>(2)</sup>		449,005,649	69.28

Director/ Chief Executive	Capacity	Name of the controlled corporations	Number of issued ordinary shares held	Percentage of the issued share capital of the Company (%)
Mr. NG Ngan Ho	Interest in a controlled corporation	Linkall <sup>(4)</sup>	11,798,086	1.82
		(as defined below)		
	Personal interest Interest in persons acting in concert <sup>(2)</sup>	Full Guang <sup>(1)</sup>	4,436,100	0.68
		(as defined below)		
			1,110,000	0.17
			449,005,649	69.28

*Notes:*

- (1) The interests in Shares are held through Full Guang Holdings Limited (“**Full Guang**”), a company incorporated in the British Virgin Islands (the “**BVI**”) with limited liability on 19 December 2005. Full Guang is owned by Dr. LEE Yin Yee, B.B.S. as to 33.98%, Mr. TUNG Ching Bor as to 16.20%, Mr. TUNG Ching Sai as to 16.20%, Mr. LEE Sing Din as to 11.85%, Mr. LI Ching Wai as to 5.56%, Mr. NG Ngan Ho as to 3.70%, Mr. LI Man Yin as to 3.70%, Mr. SZE Nang Sze as to 5.09% and Mr. LI Ching Leung as to 3.70%.
- (2) Pursuant to the shareholders’ agreement dated 25 June 2016 (the “**Shareholders’ Agreement**”), the parties have agreed to grant a right of first offer to the other parties to the agreement if they want to sell their Shares allotted to them under the Xinyi Glass Distribution (as defined in the Prospectus).
- (3) Mr. TUNG Ching Sai is the beneficial owner of all the issued share capital of Copark Investment Limited (“**Copark**”), a company incorporated in the BVI and wholly-owned by Mr. TUNG Ching Sai, which is the registered owner of 37,039,885 of our Shares. Mr. TUNG Ching Sai also has personal interest in 436,200 Shares held in his own name and 96,540,900 Shares held through his spouse, Madam SZE Tang Hung.
- (4) Mr. NG Ngan Ho is the beneficial owner of all the issued share capital of Linkall Investment Limited (“**Linkall**”), a company incorporated in the BVI and wholly-owned by Mr. NG Ngan Ho.

***(ii) Share options of the Company***

Director	Capacity	Number of share options outstanding	Approximate percentage of the issued share capital of the Company
			(%)
Ms. LI Pik Yung	Personal interest	85,088	0.01
Mr. CHAN Chi Leung	Personal interest	85,088	0.01

Save as disclosed above, as at 31 March 2019, to the knowledge of the Company, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in any shares, debentures or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were 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 which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange.

**CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by directors during the three months ended 31 March 2019.

**SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES**

So far as is known to the Directors, as at 31 March 2019, the following persons (not being a Director or chief executive of the Company) had, or were deemed to have interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

## Long positions in the Shares of the Company

Name of the Shareholders	Nature of interest and capacity	Percentage of the issued share capital of the Company	
		Number of issued Shares held	(%)
Dr. LEE Yin Yee, B.B.S.	Interest in controlled corporation <sup>(3)</sup>	108,781,432	16.78
	Interest in controlled corporation <sup>(1)</sup>	4,436,100	0.68
	Personal interest <sup>(3)</sup>	34,141,500	5.27
	Interest in persons acting in concert <sup>(2)</sup>	449,005,649	69.28
Mr. TUNG Ching Bor	Interest in a controlled corporation <sup>(4)</sup>	40,014,968	6.17
	Interest in controlled corporation <sup>(1)</sup>	4,436,100	0.68
	Personal interest <sup>(4)</sup>	8,863,200	1.37
	Interest in persons acting in concert <sup>(2)</sup>	449,005,649	69.28
Mr. LEE Sing Din	Interest in a controlled corporation <sup>(5)</sup>	37,739,263	5.82
	Interest in controlled corporation <sup>(1)</sup>	4,436,100	0.68
	Personal interest	3,115,500	0.48
	Interest in persons acting in concert <sup>(2)</sup>	449,005,649	69.28
Mr. LI Ching Wai	Interest in a controlled corporation <sup>(6)</sup>	17,487,129	2.70
	Interest in controlled corporation <sup>(1)</sup>	4,436,100	0.68
	Interest in persons acting in concert <sup>(2)</sup>	449,005,649	69.28
Mr. LI Man Yin	Interest in a controlled corporation <sup>(7)</sup>	11,856,285	1.83
	Interest in controlled corporation <sup>(1)</sup>	4,436,100	0.68
	Personal interest <sup>(7)</sup>	1,551,000	0.24
	Interest in persons acting in concert <sup>(2)</sup>	449,005,649	69.28

Name of the Shareholders	Nature of interest and capacity	Percentage of the issued share capital of the Company	
		Number of issued Shares held	(%)
Mr. SZE Nang Sze	Interest in a controlled corporation <sup>(8)</sup>	17,140,616	2.64
	Interest in controlled corporation <sup>(1)</sup>	4,436,100	0.68
	Personal interest	1,002,000	0.15
	Interest in persons acting in concert <sup>(2)</sup>	449,005,649	69.28
Mr. LI Ching Leung	Interest in a controlled corporation <sup>(9)</sup>	11,678,085	1.80
	Interest in controlled corporation <sup>(1)</sup>	4,436,100	0.68
	Personal interest <sup>(9)</sup>	4,273,500	0.66
	Interest in persons acting in concert <sup>(2)</sup>	449,005,649	69.28

*Notes:*

- (1) The interests in our Shares are held through Full Guang, a company incorporated in the BVI with limited liability on 19 December 2005. Full Guang is owned by Dr. LEE Yin Yee, B.B.S. as to 33.98%, Mr. TUNG Ching Bor as to 16.20%, Mr. TUNG Ching Sai as to 16.20%, Mr. LEE Sing Din as to 11.85%, Mr. LI Ching Wai as to 5.56%, Mr. NG Ngan Ho as to 3.70%, Mr. LI Man Yin as to 3.70%, Mr. SZE Nang Sze as to 5.09% and Mr. LI Ching Leung as to 3.70%.
- (2) Pursuant to the Shareholders' Agreement entered amongst our controlling shareholders (as defined in the GEM Listing Rules), each of the parties has agreed to grant a right of first offer to the other parties if any of them intends to sell their Shares allotted to them under the Xinyi Glass Distribution.
- (3) Dr. LEE Yin Yee, B.B.S.'s interests in 108,781,432 Shares are held through Realbest Investment Limited, a company incorporated in the BVI with limited liability and wholly-owned by Dr. LEE Yin Yee, B.B.S.. Dr. LEE Yin Yee, B.B.S.'s interests in 34,141,500 Shares are held through a joint account with his spouse, Madam TUNG Hai Chi.
- (4) Mr. TUNG Ching Bor's interests in 40,014,968 Shares are held through High Park Technology Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. TUNG Ching Bor. Mr. TUNG Ching Bor's interests in 8,863,200 Shares are held through a joint account with his spouse, Madam KUNG Sau Wai.



- (5) Mr. LEE Sing Din's interest in Shares are held through Telerich Investment Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. LEE Sing Din.
- (6) Mr. LI Ching Wai's interests in Shares are held through Goldbo International Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. LI Ching Wai.
- (7) Mr. LI Man Yin's interests in 11,856,285 Shares are held through Perfect All Investments Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. LI Man Yin. Mr. LI Man Yin's interests in 1,551,000 Shares are held through a joint account with his spouse, Madam LI Sau Suet.
- (8) Mr. SZE Nang Sze's interests in Shares are held through Goldpine Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. SZE Nang Sze.
- (9) Mr. LI Ching Leung's interests in 11,678,085 Shares are held through Herosmart Holdings Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. LI Ching Leung. Mr. LI Ching Leung has personal interests in 4,213,500 Shares held in his own name and 60,000 Shares held through his spouse, Madam DY Maria Lumin.

Save as disclosed above, as at 31 March 2019, the Directors were not aware of any other persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to section 336 of the SFO.

## **SHARE OPTION SCHEME**

A share option scheme (the “**Scheme**”) was adopted by the shareholders of the Company at the annual general meeting held on 31 May 2017 and will be valid for a period of ten years from the date of adoption of the Scheme. No share option was granted under the Scheme during the three months ended 31 March 2019. As at 31 March 2019, a total of 703,206 options were still outstanding under the Scheme.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the three months ended 31 March 2019, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **COMPETING INTERESTS**

As far as the Directors are aware of, during the three months ended 31 March 2019, none of the Directors or the Controlling Shareholders or their respective associates (as defined in the GEM Listing Rules) have any interests in a business which competed or may compete with the business of the Group.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Board is committed to ensuring and upholding a high standard of corporate governance, transparency and business practices, which are fundamental to the success of the Group and protecting the overall interests of our Company and our shareholders.

The Company's corporate governance practices are based on the principles of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules. During the three months ended 31 March 2019, the Company had complied with the applicable code provisions set out in the CG Code.

## AUDIT COMMITTEE

The Company has established an audit committee of the Board with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group, nominate and monitor external auditors and provide advice and comments to the Board on matters related to corporate governance. The members of the audit committee include three independent non-executive Directors, namely Mr. WANG Guisheng, Mr. NG Wai Hung and Mr. CHAN Hak Kan, B.B.S., JP. Mr. WANG Guisheng is the chairman of the audit committee.

The unaudited condensed consolidated financial information of the Company for the three months ended 31 March 2019 has been reviewed by the audit committee.

By order of the Board  
**Xinyi Automobile Glass Hong Kong Enterprises Limited**  
**TUNG Ching Sai**  
*Chairman*

Hong Kong, 15 May 2019

*As of the date of this announcement, the executive Directors are Ms. LI Pik Yung and Mr. CHAN Chi Leung, the non-executive Directors are Mr. TUNG Ching Sai (Chairman) and Mr. LEE Shing Kan, and the independent non-executive Directors are Mr. WANG Guisheng, Mr. NG Wai Hung and Mr. CHAN Hak Kan, B.B.S., JP.*

*The announcement will remain on the “Latest Company Announcements” page of the GEM website at **www.hkgem.hk** for at least 7 days from the date of its posting and be posted on the website of the Company at **www.xyglass.com.hk**.*