



**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



**2017**

FIRST QUARTERLY REPORT

## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

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*This Report, 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 the 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 Report 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 Report misleading.*

## UNAUDITED FIRST QUARTERLY RESULTS

The Board is pleased to present the unaudited consolidated results of the Group for the three months ended 31 March 2017 together with the comparative unaudited figures for the comparative unaudited figures for the three months ended 31 March 2016 as follows.

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

For the three months ended 31 March 2017

	Notes	Three months ended 31 March	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Revenue	3	10,828	12,075
Cost of revenue		(9,042)	(7,985)
<b>Gross profit</b>		<b>1,786</b>	<b>4,090</b>
Other income		1,215	1
Selling and marketing costs		(793)	(1,143)
Administrative expenses		(2,043)	(4,337)
<b>Operating profit/(loss)</b>		<b>165</b>	<b>(1,389)</b>
Finance income		14	1
<b>Profit/(Loss) before income tax</b>		<b>179</b>	<b>(1,388)</b>
Income tax expense	4	(55)	(306)
<b>Profit/(Loss) for the period</b>		<b>124</b>	<b>(1,694)</b>
<b>Other comprehensive income:</b>			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Currency translation differences		589	–
<b>Total comprehensive income/(loss) attributable to owners of the Company</b>		<b>713</b>	<b>(1,694)</b>
<b>Basic and diluted earnings/(loss) per share (HK cents per share)</b>	6	<b>0.02</b>	<b>(0.35)</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2017

	Share capital HK\$'000	Share premium HK\$'000	Exchange reserves HK\$'000	Capital reserves HK\$'000	Share option reserves HK\$'000	Retained profit HK\$'000	Total HK\$'000
<b>Balance at 1 January 2017</b> (Audited)	5,401	36,175	(1,946)	13,587	2,922	46,197	102,336
<b>Comprehensive income</b>							
Profit for the period	-	-	-	-	-	124	124
Other comprehensive income	-	-	589	-	-	-	589
<b>Total comprehensive income</b>	-	-	589	-	-	124	713
<b>Balance at 31 March 2017</b> (Unaudited)	5,401	36,175	(1,357)	13,587	2,922	46,321	103,049
<b>Balance at 1 January 2016</b> (Audited)	-	-	-	9,100	2,720	50,985	62,805
<b>Comprehensive income</b>							
Loss for the period	-	-	-	-	-	(1,694)	(1,694)
<b>Transactions with owners</b>							
Employee's share option scheme:							
- Value of employee services	-	-	-	-	86	-	86
Listing expenses borne by Xinyi Glass Group	-	-	-	2,333	-	-	2,333
<b>Balance at 31 March 2016</b> (Unaudited)	-	-	-	11,433	2,806	49,291	63,530

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

### 1. CORPORATE INFORMATION AND GROUP REORGANISATION

The Company was incorporated in the Cayman Islands on 18 November 2015 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company and the Group is principally engaged in the provision of installation of automobile glass products in Hong Kong. Since the third quarter of 2016, the Group has started setting up a plant for production of lithium battery products in The People's Republic of China (the "PRC").

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. 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 2017, the accounting policies applied in preparing this unaudited condensed consolidated financial information for the three months ended 31 March 2017 are consistent with those of the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with HKFRSs. The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016.

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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 3. REVENUE

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

	Three months ended 31 March	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Sales of automobile glass with installation and repair services	10,828	12,075

### 4. INCOME TAX EXPENSE

	Three months ended 31 March	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Current income tax		
— Hong Kong profits tax	55	306

Hong Kong profits tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the period.

### 5. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2017 (2016: Nil).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

### 6. EARNINGS/(LOSS) PER SHARE

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

	Three months ended 31 March	
	2017 (Unaudited)	2016 (Unaudited)
Profit/(Loss) attributable to owners of the Company (HK\$'000)	124	(1,694)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/loss per share ('000)	540,113	485,113

The number of ordinary shares for the purpose of calculating basic earnings/loss per share has been determined on the assumption that the newly issued shares of 485,111,513.38 and 750 shares under the capitalisation issue on 25 June 2016 and 8 July 2016 respectively had been effective on 1 January 2016.

The diluted earnings/loss per share for the respective periods are the same as the basic earnings/loss per share as there were no dilutive potential shares.

### 7. SUBSEQUENT EVENT

Pursuant to the agreement dated 20 January 2017 entered into between Anhui Xinyi Power Source Company Limited (a subsidiary of the Company) as the subscriber (the "Subscriber"), and Xinyi Energy Smart (Wuhu) Company Limited as the existing investor of Xinyi Wind Power (Jinzhai) Company Limited (the "Target Company"), the Subscriber had made a capital contribution of approximately RMB2,200,000 (equivalent to approximately HK\$2,500,000) by way of cash to the Target Company to subscribe for approximately 18% equity interest in the Target Company on 27 April 2017.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND PROSPECTS

### 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.

Driven by the strategy to enhance the business relationship with insurance companies, the Group has entered into one additional cooperation agreement with an insurance company in Hong Kong during the three months ended 31 March 2017 for the provision of vehicle glass repairing service to the cars under their insurance coverage.

The Directors are optimistic that the Hong Kong vehicle glass repairs and replacement market will remain stable over the next few years. The Group is committed to continue to improve the quality and the efficiency of the services it provides, so as to increase its market share of its core business in Hong Kong.

### NEW ENERGY — LITHIUM BATTERY BUSINESS

As one of the strategies of the Group set forth in the prospectus (the "**Prospectus**") of the Company dated 28 June 2016, the Group has started setting up a production plant for the production of lithium battery products in the PRC since the third quarter of 2016. The production plant has yet to start commercial operation, and the Directors expect that the production plant may commence the commercial production during the second quarter of 2017. Hence, during the three months ended 31 March 2017, no revenue was generated from these business activities.

The Directors will continue to carry out the implementation plans set forth in the Prospectus and assess new business opportunities prudently for the purpose of creating maximum economic return to the shareholders (the "**Shareholders**") of the Company and facilitating the long-term growth of the business of the Group as a whole.

## FINANCIAL REVIEW

### REVENUE

The Group's revenue, which was generated from the Vehicle Glass Repair and Replacement Business, for the three months ended 31 March 2017 amounted to HK\$10.8 million (2016: HK\$12.1 million). The retail market in Hong Kong remain relatively weak for the period. Although our revenue from insurance customers remain relatively constant, the decrease in revenue from corporate customers and individual customers lead to a moderate period-on-period decrease of approximately HK\$1.2 million or 10.3% compare with the three months ended 31 March 2016.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### COST OF REVENUE AND GROSS PROFIT

Cost of revenue comprised of HK\$7.9 million (2016: HK\$8.0 million) arising from the Vehicle Glass Repair and Replacement Business and HK\$1.2 million (2016: Nil) arising from the Lithium Battery Business.

Cost of revenue of Vehicle Glass Repair and Replacement Business decreased by approximately 1.2% from HK\$8.0 million for the three months ended 31 March 2016 to approximately HK\$7.9 million for the three months ended 31 March 2017. The gross profit decreased by 28.1% from approximately HK\$4.1 million for the three months ended 31 March 2016 to approximately HK\$2.9 million for the three months ended 31 March 2017. The decrease in cost of revenue of 1.2% was lower than the % decrease in revenue of 10.3% mainly due to the incurrance of additional rental and other overhead expenses incurred and labour costs was relatively constant.

Cost of revenue for the Lithium Battery Business of HK\$1.2 million (2016: Nil) represents mainly the rental expenses of the factory premises. The rental expenses were fully refundable from the PRC government which give rise a corresponding other income.

### EXPENSES

Selling and marketing costs for the period decreased by approximately HK\$0.4 million which was mainly due to decrease in employee benefit expenses for the relevant activities.

Administrative expenses for the three months ended 31 March 2016 included non-recurring expenses in relation to the listing (the "Listing") of the shares (the "Shares") of the Company on the Stock Exchange of HK\$3.5 million. Excluding the expenses for the Listing, administrative expenses increased by approximately HK\$1.2 million from HK\$0.8 million for the three months ended 31 March 2016 to approximately HK\$2.0 million for the three months ended 31 March 2017, primarily due to the increase in emoluments of HK\$0.6 million paid to the staff and directors and increase in audit and other professional fee of HK\$0.3 million.

### PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY

Profit attributable to owners of the Company for the three months ended 31 March 2017 amounted to HK\$0.1 million, whereas there was a loss attributable to owners of the Company of HK\$1.7 million recorded for the three months ended 31 March 2016. The increase in the profitability was principally attributable to no expenses incurred for the Listing in current period. Excluding the Listing expenses of HK\$3.5 million incurred and charged to profit and loss for the three months ended 31 March 2016, the profit attributable to owners of the Company for the three months ended 31 March 2016 was HK\$1.8 million, representing there is a period-on-period decrease of HK\$1.7 million or 93.1%. The decrease was mainly attributable to the operating performance of the Group as analysed above.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 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 2017, 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:

### INTERESTS AND SHORT POSITIONS OF OUR DIRECTORS IN OUR SHARES OR THE SHARES OF OUR ASSOCIATED CORPORATIONS

Director	Capacity	Name of the controlled corporations	Number of issued ordinary shares held	Percentage of the issued share capital of the Company (%)
Datuk Tung Ching Sai	Interest in a controlled corporation	Copark <sup>(1)</sup> (as defined below)	30,866,571	5.71
		Full Guang <sup>(3)</sup> (as defined below)	3,696,750	0.68
	Personal interest/ Spouse interest <sup>(1)</sup>		58,546,750	10.84
	Interest in persons acting in concert <sup>(2)</sup>		334,759,378	61.98

*Notes:*

- Datuk 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 Datuk TUNG Ching Sai, which is the registered owner of 30,866,571 of our Shares. Datuk TUNG Ching Sai also has personal interest in 363,500 Shares held in his own name and 58,183,250 Shares held through his spouse, Madam SZE Tang Hung.
- Pursuant to the shareholders' agreement dated 25 June 2016 (the "Shareholders' Agreement") entered amongst our Controlling Shareholders (as defined in the Prospectus), each of 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).
- The interests in our 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 Datuk LEE Yin Yee, B.B.S. as to 33.98%, Mr. TUNG Ching Bor as to 16.20%, Datuk 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%.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### CODE OF CONDUCT REGARDING SECURITIES TRANSACTION 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 2017.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

So far as is known to the Directors, as at 31 March 2017, 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	Number of issued shares held	Percentage of the issued share capital of the Company (%)
Datuk LEE Yin Yee, B.B.S.	Interest in a controlled corporation <sup>(3)</sup>	90,651,194	16.78
	Interest in a controlled corporation <sup>(1)</sup>	3,696,750	0.68
	Personal interest <sup>(3)</sup>	18,539,250	3.43
	Interest in persons acting in concert <sup>(2)</sup>	334,759,378	61.98
Mr. TUNG Ching Bor	Interest in a controlled corporation <sup>(4)</sup>	33,345,807	6.17
	Interest in a controlled corporation <sup>(1)</sup>	3,696,750	0.68
	Personal interest <sup>(4)</sup>	5,450,000	1.01
	Interest in persons acting in concert <sup>(2)</sup>	334,759,378	61.98
Mr. LEE Sing Din	Interest in a controlled corporation <sup>(5)</sup>	31,449,386	5.82
	Interest in a controlled corporation <sup>(1)</sup>	3,696,750	0.68
	Personal interest	2,596,250	0.48
	Interest in persons acting in concert <sup>(2)</sup>	334,759,378	61.98

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Name of the Shareholders	Nature of interest and capacity	Number of issued shares held	Percentage of the issued share capital of the Company (%)
Mr. LI Ching Wai	Interest in a controlled corporation <sup>(6)</sup>	14,572,608	2.70
	Interest in a controlled corporation <sup>(1)</sup>	3,696,750	0.68
	Interest in persons acting in concert <sup>(2)</sup>	334,759,378	61.98
Mr. LI Man Yin	Interest in a controlled corporation <sup>(7)</sup>	9,880,238	1.83
	Interest in a controlled corporation <sup>(1)</sup>	3,696,750	0.68
	Personal interest <sup>(7)</sup>	1,292,500	0.24
	Interest in persons acting in concert <sup>(2)</sup>	334,759,378	61.98
Mr. SZE Nang Sze	Interest in a controlled corporation <sup>(8)</sup>	13,203,847	2.44
	Interest in a controlled corporation <sup>(1)</sup>	3,696,750	0.68
	Personal interest	35,000	0.01
	Interest in persons acting in concert <sup>(2)</sup>	334,759,378	61.98
Mr. NG Ngan Ho	Interest in a controlled corporation <sup>(9)</sup>	9,731,739	1.80
	Interest in a controlled corporation <sup>(1)</sup>	3,696,750	0.68
	Personal interest	325,000	0.06
	Interest in persons acting in concert <sup>(2)</sup>	334,759,378	61.98
Mr. LI Ching Leung	Interest in a controlled corporation <sup>(10)</sup>	9,731,738	1.80
	Interest in a controlled corporation <sup>(1)</sup>	3,696,750	0.68
	Personal interest <sup>(10)</sup>	481,250	0.09
	Interest in persons acting in concert <sup>(2)</sup>	334,759,378	61.98

### 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 Datuk LEE Yin Yee, B.B.S. as to 33.98%, Mr. TUNG Ching Bor as to 16.20%, Datuk 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%.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

- (2) Pursuant to the Shareholders' Agreement entered amongst our Controlling Shareholders, 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) Datuk LEE Yin Yee, B.B.S.'s interests in 90,651,194 Shares are held through Realbest Investment Limited, a company incorporated in the BVI with limited liability and wholly-owned by Datuk LEE Yin Yee, B.B.S.. Datuk LEE Yin Yee, B.B.S.'s interests in 18,539,250 Shares are held through a joint account with his spouse, Madam TUNG Hai Chi.
- (4) Mr. TUNG Ching Bor's interests in 33,345,807 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 5,450,000 Shares are held through a joint account with his spouse, Madam KUNG Sau Wai.
- (5) Mr. LEE Sing Din's interest in 31,449,386 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 14,572,608 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 9,880,238 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 1,292,500 Shares are held through a joint account with his spouse, Madam LI Sau Suet.
- (8) Mr. SZE Nang Sze's interests in 13,203,847 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. NG Ngan Ho's interests in 9,731,739 Shares are held through Linkall Investment Limited, a company incorporated in the BVI with limited liability and wholly-owned by Mr. NG Ngan Ho.
- (10) Mr. LI Ching Leung's interests in 9,731,738 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 431,250 Shares held in his own name and 50,000 Shares held through his spouse, Madam DY Maria Lumin.

Save as disclosed above, as at 31 March 2017, 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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### SHARE OPTION SCHEME

No share option scheme has been adopted by the Company as of the date of this Report.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the three months ended 31 March 2017, 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 2017, 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.

### INTERESTS OF THE COMPLIANCE ADVISER

As notified by RHB Capital Hong Kong Limited ("RHB Capital"), save as the compliance adviser agreement entered into between the Company and RHB Capital dated 16 December 2015, neither RHB Capital, its close associates nor any of the directors or employees of RHB Capital who have been involved in providing advice to the Company, has or may have any interest in securities of the Company or which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as of 31 March 2017.

### 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 2017, the Company had complied with the applicable code provisions set out in the CG Code.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 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 2017 has been reviewed by the audit committee.

### DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 March 2017.

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

Hong Kong, 15 May 2017

*As of the date of this Report, the executive Directors are Ms. LI Pik Yung and Mr. CHAN Chi Leung, the non-executive Directors are Datuk 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.*