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Xin Point Holdings Limited
信邦控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1571)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2022

FINANCIAL HIGHLIGHTS	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	1,309,075	1,164,818
Profit attributable to owners		
of the parent	172,215	151,661
Basic and diluted earnings	RMB17.2 cents per share	RMB15.1 cents per share
Interim dividend	RMB5.13 cents per share	RMB4.54 cents per share
	As at 30 June 2022	As at 31 December 2021
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Property, plant and equipment	1,504,514	1,465,269
Cash and cash equivalents	151,895	148,660
Working capital (Current assets		
less current liabilities)	832,194	723,835

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Xin Point Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2022 (the “**Reporting Period**” or “**1H 2022**”) together with selected explanatory notes and the relevant comparative figures.

In this announcement, “we”, “us”, “our” and “Xin Point” refer to the Company and where the context otherwise requires, the Group.

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

	<i>Notes</i>	Six months ended 30 June	
		2022 <i>RMB'000</i> <i>(Unaudited)</i>	2021 <i>RMB'000</i> <i>(Unaudited)</i>
REVENUE	3	1,309,075	1,164,818
Cost of sales		<u>(924,821)</u>	<u>(783,553)</u>
Gross profit		384,254	381,265
Other income and gains		26,121	10,635
Selling and distribution expenses		(38,385)	(35,983)
Administrative expenses		(157,980)	(169,303)
Finance costs		(4,707)	(2,133)
Share of profit of an associate		237	1,276
Share of loss of a joint venture		<u>(2,023)</u>	<u>(1,578)</u>
PROFIT BEFORE TAX	4	207,517	184,179
Income tax expense	5	<u>(36,553)</u>	<u>(33,464)</u>
PROFIT FOR THE PERIOD		<u>170,964</u>	<u>150,715</u>
Attributable to:			
Owners of the parent		172,215	151,661
Non-controlling interests		<u>(1,251)</u>	<u>(946)</u>
		<u>170,964</u>	<u>150,715</u>
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		22,713	(12,738)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of a financial asset at fair value through other comprehensive income		<u>(1,236)</u>	<u>3,338</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		<u>21,477</u>	<u>(9,400)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>192,441</u>	<u>141,315</u>
Attributable to:			
Owners of the parent		193,692	142,261
Non-controlling interests		<u>(1,251)</u>	<u>(946)</u>
		<u>192,441</u>	<u>141,315</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	7	<u>RMB17.2 cents</u>	<u>RMB15.1 cents</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2022 <i>RMB'000</i> <i>(Unaudited)</i>	As at 31 December 2021 <i>RMB'000</i> <i>(Audited)</i>
NON-CURRENT ASSETS			
Property, plant and equipment		1,504,514	1,465,269
Right-of-use assets		167,891	180,218
Goodwill		3,695	3,772
Intangible asset		335	670
Investment in an associate		5,684	5,447
Investment in a joint venture		—	2,023
Financial asset at fair value through other comprehensive income		9,284	10,520
Prepayments and deposits		236,455	186,765
Deferred tax assets		1,250	9,286
		<hr/>	<hr/>
Total non-current assets		1,929,108	1,863,970
CURRENT ASSETS			
Inventories		590,614	566,151
Trade and bills receivables	8	720,594	612,466
Prepayments, deposits and other receivables		188,979	202,090
Derivative financial instruments		3,431	1,202
Tax recoverable		—	4,881
Cash and cash equivalents		151,895	148,660
		<hr/>	<hr/>
Total current assets		1,655,513	1,535,450
CURRENT LIABILITIES			
Trade payables	9	382,776	359,021
Other payables and accruals		202,055	184,811
Interest-bearing bank borrowings		81,540	130,898
Lease liabilities		41,677	31,098
Tax payable		115,271	105,787
		<hr/>	<hr/>
Total current liabilities		823,319	811,615
		<hr/>	<hr/>
NET CURRENT ASSETS		832,194	723,835
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,761,302	2,587,805
		<hr/>	<hr/>

	As at 30 June 2022 RMB'000 (Unaudited)	As at 31 December 2021 RMB'000 (Audited)
NON-CURRENT LIABILITIES		
Deferred tax liabilities	467	500
Lease liabilities	<u>90,971</u>	<u>111,974</u>
Total non-current liabilities	<u>91,438</u>	<u>112,474</u>
Net assets	<u>2,669,864</u>	<u>2,475,331</u>
EQUITY		
Equity attributable to owners of the parent		
Issued capital	87,485	87,485
Reserves	<u>2,586,475</u>	<u>2,390,691</u>
	2,673,960	2,478,176
Non-controlling interests	<u>(4,096)</u>	<u>(2,845)</u>
Total equity	<u>2,669,864</u>	<u>2,475,331</u>

NOTES

1. CORPORATE INFORMATION

Xin Point Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

During the period, the Company and its subsidiaries (collectively referred to as the “**Group**”) were involved in the manufacture and sale of automotive and electronic components.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information has been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) for the first time for the current period’s financial information.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018-2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 January 2022. As there were no contingent assets, liabilities and contingent liabilities within the scope of the amendments arising in the business combination that occurred during the period, the amendments did not have any impact on the financial position and performance of the Group.

- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 January 2021. Since there was no sale of items produced while making property, plant and equipment available for use on or after 1 January 2021, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 January 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) *Annual Improvements to HKFRSs 2018-2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendments that are applicable to the Group are as follows:
- HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively to financial liabilities that are modified or exchanged on or after 1 January 2022. As there was no modification of the Group's financial liabilities during the period, the amendment did not have any impact on the financial position or performance of the Group.
 - HKFRS 16 *Leases*: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying HKFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying HKFRS 16.

3. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of automotive decorative components	<u>1,309,075</u>	<u>1,164,818</u>
 <u>Disaggregated revenue information for revenue from contracts with customers</u>		
	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Type of goods		
Sale of goods	<u>1,309,075</u>	<u>1,164,818</u>
Total revenue from contracts with customers	<u>1,309,075</u>	<u>1,164,818</u>
Geographical markets		
China	463,420	485,392
North America	569,922	392,644
Europe	224,788	228,354
Other countries	<u>50,945</u>	<u>58,428</u>
Total revenue from contracts with customers	<u>1,309,075</u>	<u>1,164,818</u>
Timing of revenue recognition		
Goods transferred at a point in time	<u>1,309,075</u>	<u>1,164,818</u>
Total revenue from contracts with customers	<u>1,309,075</u>	<u>1,164,818</u>
Revenue from contracts with customers		
External customers	<u>1,309,075</u>	<u>1,164,818</u>
Total revenue from contracts with customers	<u>1,309,075</u>	<u>1,164,818</u>

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Cost of inventories sold	924,821	783,553
Depreciation of property, plant and equipment	63,814	59,546
Depreciation of right-of-use assets	19,112	17,962
Amortisation of other intangible asset	335	526
Impairment/(reversal of impairment) of trade and bills receivables	(2,563)	3,669
Write-down/(reversal of write-down) of inventories to net realisable value	(49)	1,517
Fair value gain on derivative financial instruments, net*	(2,151)	(4,335)
Loss/(gain) on disposal of items of property, plant and equipment, net*	(3,785)	1,266
Foreign exchange differences, net*	(5,642)	20,082
Equity-settled share option expense	2,092	3,351

* These gains are included in "Other income and gains" and the losses are included in "Administrative expenses", as appropriate, in the interim condensed consolidated statement of profit or loss and other comprehensive income.

5. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (six months ended 30 June 2021: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (six months ended 30 June 2021: 8.25%) and the remaining assessable profits are taxed at 16.5% (six months ended 30 June 2021: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates, except for one subsidiary of the Group which qualified as High and New Technology Enterprise in Mainland China and a lower PRC corporate income tax rate of 15% (six months ended 30 June 2021: 15%) has been applied for the period.

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current:		
Charge for the period		
Hong Kong	14,176	7,505
Elsewhere	18,773	26,668
Overprovision in prior years	(4,399)	(1,644)
Deferred	8,003	935
Total tax charge for the period	<u>36,553</u>	<u>33,464</u>

6. DIVIDENDS

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
2021 final dividend declared - RMB0.0183 (2020: RMB0.1072) per ordinary share	<u>18,353</u>	<u>107,511</u>

On 25 August 2022, the board of directors declared an interim dividend of RMB0.0513 (six months ended 30 June 2021: RMB0.0454) per ordinary share, amounting to a total of approximately RMB51,449,000 (six months ended 30 June 2021: RMB45,629,000).

7. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic earnings per share are calculated by dividing the profit attributable to the ordinary equity holders of the parent by the weighted average number of shares in issue during the six months ended 30 June 2022 and 2021 respectively.

	Six months ended 30 June	
	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit for the period attributable to the ordinary equity holders of the parent for the purpose of basic and diluted earnings per share calculation	<u>172,215</u>	<u>151,661</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares in issue during the period used in the basic and diluted earnings per share calculation	<u>1,002,905,000</u>	<u>1,002,905,000</u>

	Six months ended 30 June	
	2022	2021
	RMB	RMB
	(Unaudited)	(Unaudited)
Earnings per share		
Basic and diluted	<u>17.2 cents</u>	<u>15.1 cents</u>

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 June 2022 and 2021 respectively in respect of a dilution as the impact of share options outstanding had no dilutive effect on the basic earnings per share amount presented.

8. TRADE AND BILLS RECEIVABLES

An ageing analysis of the trade and bills receivables as at the end of each reporting period, based on the invoice date and net of provision, is as follows:

	30 June	31 December
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 1 month	392,183	362,730
1 to 2 months	188,505	129,885
2 to 3 months	64,124	64,256
Over 3 months	<u>75,782</u>	<u>55,595</u>
	<u>720,594</u>	<u>612,466</u>

The Group's trading terms with its customers are mainly on credit. The credit period is generally one to four months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

9. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each reporting period, based on the invoice date, is as follows:

	30 June	31 December
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 1 month	237,611	213,592
1 to 2 months	73,250	53,432
2 to 3 months	13,067	25,112
Over 3 months	58,848	66,885
	382,776	359,021

Trade payables are non-interest-bearing and are normally settled with terms of 30 to 60 days.

Included in trade payables is an amount due to an associate of RMB2,539,000 (31 December 2021: RMB10,609,000), which is unsecured, interest-free and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

In the first half of 2022, the automotive industry certainly had a tough time. Coronavirus Disease 2019 (“**COVID-19**”), the semiconductor crisis, and the war in Ukraine all played their parts in undermining global vehicle output. From its peak in 2017, global light vehicle production slumped by over 20% last year due to weakening market outlook, sharply rising input costs and the challenge of transitioning from combustion to electric technologies.

China’s automotive industry, being the world’s largest, has been hit hard in recent months by the restrictions related to COVID-19, as the government has imposed stringent lockdown restrictions to certain areas (including Shanghai) of the country on various occasions. On the other hand, China’s automotive industry is also facing persistent challenges of chip shortages and rising raw material costs, especially for electric-vehicle batteries, according to China Association of Automobile Manufacturers. Authorities have introduced incentives to revive demand, with the central government halving the purchase tax for certain car purchases in June 2022. Many policies have encouraged the sales of new-energy vehicles, which contributed to the increase in sales in June 2022 after falling for four consecutive months. However, those incentives hardly helped with commercial vehicle demand, which depends on the recovery of the logistics and infrastructure sectors and will need more support from the government. China Association of Automobile Manufacturers adjusted its sales forecast downward for the remaining of 2022.

Despite the setbacks, sales is recovering in China as supported by the easing of lockdowns that allowed original equipment manufacturers (“**OEMs**”) to ramp up production and a new temporary tax cut for passenger vehicles (“**PVs**”). It has led to the rise in the global light vehicle sales in June 2022, marking the best result of the year so far. However, vehicle sales in 1H 2022 still lie 8.5% below the same period in 2021, signalling that the global market has a bumpy road to recovery, as supply issues are still impacting demand in most regions.

Business Review

During the first half of 2022, the automotive business started recovering, albeit slowly, with new vehicle sales growing at rates comparable to those in 2021. While the automakers expect the sector to catch up to pre-pandemic levels in 2023 and beyond, many automakers may still struggle to satisfy the recovering demand in the current market.

The lockdowns due to COVID-19 in 2020 caused numerous supply chain disruptions, including material and labour shortages. Car microchip manufacturers struggled to meet demands, causing delays in vehicle manufacturing and global vehicle shortage. On the other hand, the growth in ownership of personal vehicles was primarily driven by pandemic-related factors, such as stimulus policies, less ride-sharing and less frequent public transits, further complicated the vehicle inventory shortage. Inventory shortage will likely continue throughout the rest of 2022 as companies still struggle to ramp up production. More eco-friendly vehicle options, such as hybrid and electric vehicles (“EVs”), are reshaping the automotive industry as more and more consumers consider the impact of climate change. Both conventional and new manufacturers are putting substantial effort into producing EVs to keep up with consumer expectations and the latest legislations.

Despite the persistency of supply chain issues, logistics constraints, inflation pressures, geopolitical conflicts and COVID-19 control measures in China that affected us and other players in the market, Xin Point’s strategic initiatives are progressing, helping us to expand our production capacity and improve our operational efficiency. In addition, strong trends in automotive electrification continue to fuel growth in EVs demand for our products. Xin Point recorded a strong year-on-year revenue growth, capping off a dynamic first half of 2022.

The total revenue of the Group increased significantly to approximately RMB1,309.1 million for 1H 2022, representing an increase of approximately 12.4% when compared with the corresponding period of last year (the six months ended 30 June 2021 (“**1H 2021**”): approximately RMB1,164.8 million). Driven by robust consumer demands, Xin Point’s revenue remained strong in 1H 2022, except in February and April 2022 due to Chinese New Year holidays and strict lockdowns in China respectively. Nonetheless, the total sales unit decreased by approximately 15.4 million units from approximately 208.3 million units in 1H 2021 to approximately 192.9 million units in 1H 2022, representing a decrease of approximately 7.4%. This was the result of a product mix change in the North American market, as further explained in the section headed “Revenue” on page 20 of this announcement.

In addition, the operational efficiency of our production facilities in Mexico is improving. Its revenue has been increasing since 2022 and we have recorded positive operating gross profits from the operations in Mexico during 1H 2022. Due to the relatively stronger gross profit contributions from our facilities in Mexico, the Group’s gross profit increased to approximately RMB384.3 million for 1H 2022 as compared to approximately RMB381.3 million for 1H 2021.

Electro-plating production capacity and utilisation rate

During 1H 2022, there were no significant changes in our electro-plating production capacity and our annualised electro-plating production capacity, which remained stable at approximately 3.8 million sq.m. as of 30 June 2022 (as of 31 December 2021: approximately 3.8 million sq.m.).

There was a significant increase in the Group’s revenue for 1H 2022. Xin Point also recorded an increase in the utilisation rate of our electro-plating production capacity. Our capacity utilisation rate increased to approximately 76.1% for 1H 2022 as compared with the utilisation rate of approximately 66.7% for 1H 2021.

Production yield

The Group's production yield for 1H 2022 increased to approximately 89.9% as the efficiencies of our facilities in Mexico were improved, when compared with the average production yield of approximately 89.5% for the year ended 31 December 2021.

Order book

Our order book remained strong, providing a solid foundation for our future business. Continual efforts to penetrate additional overseas market will remain our priority. The Group had total backlog orders of approximately RMB10.4 billion as of 30 June 2022.

Outlook

After more than two years of COVID-19 plus the chip shortages, we hope that this year would deliver a continuing recovery in global car sales, which can bridge the gap between the current sales level and the pre-pandemic sales levels. The robust consumer demand allowed automakers to maintain or improve their profits, in spite of the weak sales volume during the second half of last year. Xin Point's 1H 2022 results are buoyed up by the pent-up demand for vehicles coupled with the "back to normal" manufacturing environment.

However, new adverse factors have intervened since the start of 2022, including the Russia-Ukraine war and strict lockdowns in China. This has led to new disruptions at various production sites in Europe and Asia, while chip shortages remain unsolved. As a result, it is uncertain whether the sales level could return to "normal" in 2022 for the global automobile market. We note that light vehicle sales experienced a drop in 1H 2022 across three major car markets, including China, the United States and the European Union.

While the global car market was impacted by the pandemic, electrification continued to progress. EVs are not immune from the production struggles as they consume even more chips than conventional cars. However, at the same time, EVs have also been prioritised by car makers for strategic and regulatory reasons.

Almost all car manufacturers have now revealed their transition strategies. In addition to further developments on the regulatory front, new entrants like XPeng, NIO and Rivian are trying to penetrate the market and make their way through the upscaling production challenge. Tesla delivered over half a million EVs in 1H 2022 globally, which is up 46.3% compared with that in 1H 2021. The appetite for EVs is soaring, according to global surveys.

While the automobile industry in China has cut its annual projection for overall sales, China Association of Automobile Manufacturers revised its forecast for EVs, saying that 5.5 million units would probably be sold, up by more than 56% compared with last year's 47% growth. Xin Point would be benefited from the global electrification trend. For the first time, Xin Point has extended its business beyond chrome plating and spray-painting businesses. Recently, we have successfully produced our first compression and back injection molding part at our plant in Mexico. This is a completely new technology for Xin Point and such products are targeted at a renowned automaker within the EV sector.

We improved our performance in 1H 2022 despite the limited global economic recovery. Looking ahead, Xin Point will remain optimistic but cautious about the automobile market in the medium term. We note that the second half of 2021 experienced the most acute impact of auto chip shortages, so the results for the second half of 2022 will likely be in a more favourable position in comparison. Xin Point is optimistic that 2023 will mark a step closer to the return of pre-pandemic production and sales levels as chip shortages start to ease, which helps offset supply chain bottlenecks and rising costs according to recent comments made by Volkswagen. However, the industry still has a bumpy road ahead in the rest of 2022.

Revenue

Our revenue increased by approximately RMB144.3 million or approximately 12.4% to approximately RMB1,309.1 million for 1H 2022.

By the end of 2021, we entered the pandemic recovery phase around the world. The automotive market thus staged an impressive rebound. Light vehicle sales have risen back to their pre-pandemic levels, as pent-up demand and country-level incentives have boosted demand.

On the other hand, there were signs that the worst of the semiconductor crisis may be behind us. Many manufacturers have been adapting to the situation and successfully prioritised the production of EVs and other high margin models for sale. They are managing supply chains, working with suppliers and looking for new solutions to resolve problems such as the shortage of cable harnesses from Ukraine. There are also other signs that the semiconductor crisis for the industry is easing. Toyota's global production in March 2022 hit a new record as production outside Japan surged, and many manufacturers reported gradual improvement of supplies of critical components.

During 1H 2022, by leveraging the resilient consumer demands, especially the month-over-month significant rebounds in May and June due to the lifting of lockdown measures in China, Xin Point recorded a significant improvement in its revenue. The Group recorded an overall increase of approximately RMB144.3 million or approximately 12.4% growth in revenue for 1H 2022 as compared to that in 1H 2021.

While the revenue generated from China dropped by approximately RMB22.0 million or 4.5% for 1H 2022 as a result of the double-digit dip in vehicle sales in March and April 2022 due to COVID-19 lockdowns, the revenue from the North American market increased significantly by approximately RMB177.3 million or approximately 45.1% as compared with 1H 2021. Increased revenue in the North America market was attributable to: (i) the increased revenue from our factory in Mexico; (ii) commencement of some projects which require production of large components and have complex finishing requirements; and (iii) new pricing schemes implemented during 1H 2022 in order to recover certain material and logistics cost increases faced by Xin Point.

In addition, we also noted that all regions recorded increases in average selling prices. The average selling price increased from RMB5.59 per unit for 1H 2021 to RMB6.78 per unit for 1H 2022, representing an approximately 21.3% increase. This demonstrates that Xin Point is moving into more advanced assembly projects which involve more skillful and complicated processes than electro-plating.

Revenue by geographic segment:

	For the six months ended 30 June			
	2022		2021	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
	<i>(unaudited)</i>		<i>(unaudited)</i>	
China	463,420	35%	485,392	42%
North America	569,922	44%	392,644	33%
Europe	224,788	17%	228,354	20%
Others	50,945	4%	58,428	5%
	<u>1,309,075</u>	<u>100%</u>	<u>1,164,818</u>	<u>100%</u>

Cost of sales

	Six months		Six months	
	ended 30 June 2022		ended 30 June 2021	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
	<i>(unaudited)</i>		<i>(unaudited)</i>	
Direct materials	264,891	28.6%	222,229	28.4%
Staff costs	251,370	27.2%	229,359	29.3%
Overheads	408,560	44.2%	331,965	42.3%
– Depreciation	71,969	7.8%	64,976	8.3%
– Mold cost	74,181	8.0%	76,900	9.8%
– Utilities	77,716	8.4%	57,875	7.4%
– Shipping and delivery	61,775	6.7%	24,671	3.1%
– Others	122,919	13.3%	107,543	13.7%
	<u>924,821</u>	<u>100.0%</u>	<u>783,553</u>	<u>100.0%</u>

The cost of sales increased by approximately RMB141.2 million or approximately 18.0% from approximately RMB783.6 million for 1H 2021 to approximately RMB924.8 million for 1H 2022. Such increase was mainly because:

- i. The strong demands for raw materials, including plastic resins and different metals in the second half of 2021 continues in 2022. Xin Point still faced cost pressures during 1H 2022. This is due to the fact that the cost of direct materials increased by approximately 19.2% or approximately RMB42.7 million as compared to the same period in 2021. Such increase was still seven percentage points above the Group's growth in revenue. The increase in cost was attributable to the continued price growth in our direct materials;
- ii. Overheads amounted to approximately RMB408.6 million for 1H 2022, representing an increase of approximately RMB76.6 million or approximately 23.1% from approximately RMB332.0 million for 1H 2021. The increase was mainly due to the business growth in 1H 2022 as compared to 1H 2021. There was a significant 150% increase in shipping and delivery costs for 1H 2022 as compared to 1H 2021. The global freight rates increased steeply in the second half of 2021 and it reached a record high price in September 2021 according to the Container Freight Rate index. While shipping and delivery costs have been gradually decreasing from elevated levels, the cost figures in 1H 2022 are still significantly higher than that in 1H 2021. In addition, as the Russia-Ukraine war disrupted global energy markets, utilities cost surged by approximately 34.3% for 1H 2022 when compared to 1H 2021. This reflects that Xin Point is facing higher energy prices for its operations; and
- iii. On the other hand, previous efforts were made by the management to improve staff efficiency and make operations in facilities in Mexico more stable. There was only an approximately 9.6% increase in staff cost (or approximately RMB22.0 million) for 1H 2022 as compared with that for 1H 2021. Such increase in staff cost for 1H 2022 was less than the growth in our revenue during the same period.

Gross Profit

Our Group's gross margin of 29.4% was due to the positive contributions from our operations in Mexico, targeted pricing adjustments and margin-accretive effects from ongoing strategic initiatives. However, it was partially offset by the higher material and logistics costs from stretched global supply chains. The gross profit was approximately RMB384.3 million and approximately RMB381.3 million, for 1H 2022 and 1H 2021 respectively. The increase was due to the combined effects of the followings:

- i. During 1H 2022, the increase in sales revenue was approximately 12.4%, while the staff cost only increased by approximately 9.6% as compared to 1H 2021. The Group managed to control the increase of labour cost, hence, the Group still recorded an overall increase in its gross profit for 1H 2022 as compared to 1H 2021;
- ii. The ramp-up of Xin Point's factory in Mexico ended last year. Its revenue had been steadily progressing during 1H 2022. The factory had since been operating in a more efficient manner and achieved economies of scale by increasing production and lowering cost. Hence, the profit contribution level from Xin Point's factory in Mexico increased during 1H 2022; and
- iii. Increases in energy costs, raw materials and logistics costs were hitting automotive suppliers and Xin Point. This unprecedented inflation has serious repercussions on the entire automobile industry. While Xin Point tried to pass on some of its cost increases to others, the options were contractually limited. This created additional pressure on the Group and limited the profit margin during 1H 2022.

Other income and gains

Other income and gains mainly represented bank interest income, exchange gains, income from sale of scraps and testing fee income. During 1H 2022, Xin Point recorded an exchange gain of approximately RMB5.6 million (1H 2021: exchange loss of approximately RMB20.1 million accounted for as administrative expenses) due to the appreciation of USD against RMB and EUR. In addition, a “one-off” profit of approximately RMB3.8 million (1H 2021: nil) was recorded from the disposal of an office premise from our subsidiary. Another profit of approximately RMB2.2 million (1H 2021: nil) was recognised upon the settlement of certain commodity future contracts.

Selling and distribution expenses

Selling and distribution expenses increased by approximately RMB2.4 million or approximately 6.7% to approximately RMB38.4 million for 1H 2022 from approximately RMB36.0 million for 1H 2021. The increase was mainly due to more marketing staff being employed to cope with new projects and customers’ increased demands for our products.

Administrative expenses

The table below summarises the components of our administrative expenses:

	Six months ended 30 June 2022		Six months ended 30 June 2021	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>		<i>(unaudited)</i>	
Staff costs	74,718	47.3%	68,515	40.5%
Research and development expenses	37,806	23.9%	27,378	16.2%
Legal and professional fees	9,435	6.0%	11,227	6.6%
Depreciation and amortisation	12,188	7.7%	11,226	6.6%
Exchange losses	—	—	20,082	11.9%
Others	23,833	15.1%	30,875	18.2%
	157,980	100.0%	169,303	100.0%

Administrative expenses decreased by approximately RMB11.3 million or by approximately 6.7% to approximately RMB158.0 million for 1H 2022 from approximately RMB169.3 million for 1H 2021. The decrease was primarily due to the combined effects of: (i) the increase in research and development expenses of approximately RMB10.4 million as most projects previously delayed by COVID-19 have resumed and there are more new surfacing decorative technology demands from our customers; (ii) Xin Point recorded exchange gains (accounted for as “other income and gains” above) for 1H 2022 whereas an exchange loss of approximately RMB20.1 million were recorded as administrative expenses due to the appreciation of RMB during 1H 2021; and (iii) there was no loss on disposal incurred for 1H 2022.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the Reporting Period increased by around 13.5% from approximately RMB151.7 million for 1H 2021 to approximately RMB172.2 million for 1H 2022. The increase was the result of the followings:

- i. An increase of approximately 12.4% in our revenue for 1H 2022 as compared with 1H 2021. Xin Point achieved significant growth in revenue from the sales of automotive decorative components within the North American region during 1H 2022;
- ii. An increase in our gross profit from approximately RMB381.3 million for 1H 2021 to approximately RMB384.3 million for 1H 2022, as a result of the increase in the Group’s revenue;
- iii. The Group recorded increases in other incomes and a decrease in our administrative expenses during 1H 2022 as discussed above; and
- iv. Basic earnings per share attributable to owners of the Company for 1H 2022 was approximately RMB17.2 cents (1H 2021: approximately RMB15.1 cents).

Total comprehensive income

Total comprehensive income for the Reporting Period attributable to owners of the Company was approximately RMB193.7 million (1H 2021: approximately RMB142.3 million), which comprised (a) profit for the Reporting Period attributable to owners of the Company of approximately RMB172.2 million (1H 2021: RMB151.7 million); and (b) other comprehensive gain for the Reporting Period attributable to owners of the Company of approximately RMB21.5 million (1H 2021: loss of approximately RMB9.4 million) which mainly included unrealised loss on fair value changes of listed equity investment at fair value through other comprehensive income (“FVTOCI”) of approximately RMB1.2 million (1H 2021: gain of approximately RMB3.3 million), details are disclosed in the sub-paragraph headed “Significant Investments Held - (b) Implication on Other Comprehensive Expenses for the Reporting Period” on pages 29 to 30 of this announcement.

LIQUIDITY AND FINANCIAL RESOURCES

For the Reporting Period, the Group’s net cash inflow from operating activities amounted to approximately RMB221.5 million, as compared to approximately RMB24.1 million in 1H 2021.

The bank borrowings of approximately RMB81.5 million as at 30 June 2022 relates to two unsecured working capital loans incurred by the Company (31 December 2021: approximately RMB130.9 million).

As at 30 June 2022, the gearing ratio, being total bank borrowings divided by total equity, decreased to 3.1% (as at 31 December 2021: 5.3%).

The annual interest rates of bank borrowings during 1H 2022 ranged from 1.2%-2.4% (1H 2021: 1.2%-2.4%).

INTERIM DIVIDEND

The Board resolved to pay an interim dividend of RMB0.0513 per share of the Company (“**Shares**”) for 1H 2022 (1H 2021: RMB0.0454 per Share). The exchange rate adopted for the conversion of the interim dividend from RMB to Hong Kong dollars was the middle exchange rate of RMB to Hong Kong dollars published by the People’s Bank of China one business day prior to the declaration of interim dividend (i.e. 24 August 2022) (HK\$1 = RMB0.87153). Accordingly, the amount of interim dividend payable in Hong Kong dollars will be HK\$0.0589 per Share.

The interim dividend will be distributed on or around 28 October 2022 to shareholders of the Company (the “**Shareholders**”) whose names appear on the register of members of the Company as at the close of business on 7 October 2022.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 3 October 2022 to 7 October 2022, both days inclusive, during which period no transfer of the Shares will be registered. In order to qualify for the interim dividend payable on or around 28 October 2022, all transfers of the Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share register in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on 30 September 2022.

SHARE OPTIONS SCHEME

A share option scheme (the “**2017 Share Option Scheme**”) was adopted by written resolutions passed by the then Shareholders on 5 June 2017. Under the 2017 Share Option Scheme, the Directors may grant options to subscribe for the Shares to eligible participants, including without limitation, employees of the Group, directors of the Company and its subsidiaries.

Details of the movement in the share options granted under the 2017 Share Option Scheme of the Company during 1H 2022 are set out below:

Category of participants	Options held at 1 January 2022	Options granted during the Reporting Period	Options exercised during the Reporting Period	Options lapsed during the Reporting Period	Options held at 30 June 2022
Directors					
Mr. Ma Xiaoming	128,000	—	—	—	128,000
Mr. Meng Jun	102,000	—	—	—	102,000
Mr. Zhang Yumin	107,000	—	—	—	107,000
Mr. Liu Jun	107,000	—	—	—	107,000
Mr. He Xiaolu	96,000	—	—	—	96,000
Mr. Jiang Wei	38,000	—	—	—	38,000
Others	15,131,000	—	—	(851,000)	14,280,000
	<u>15,709,000</u>	<u>—</u>	<u>—</u>	<u>(851,000)</u>	<u>14,858,000</u>

Note: During 1H 2022, 4,518,900 share options were vested. As at 30 June 2022, there was a total of 14,858,000 share options, of which 4,518,900 of the share options were vested.

CAPITAL STRUCTURE

As at 30 June 2022, the Company's issued share capital was approximately RMB87.5 million, equivalent to HK\$100.0 million and divided into 1,002,905,000 Shares of HK\$0.1 each (31 December 2021: approximately RMB87.5 million).

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2022, the Group had equity investments of 25,789,000 shares in Wanka Online Inc. (“**Wanka**”) and these shares were accounted for as “Financial Assets Measured at Fair Value Through Other Comprehensive Income”. For details, please refer to the Company’s announcements dated 7 January 2020 and 20 January 2020 respectively.

(a) Implication on Profit or Loss for the Reporting Period

Dividend income (if any), other investment income and relevant finance costs of holding listed equity investments at FVTOCI were recognised in profit or loss for the Reporting Period. During the Reporting Period, no dividend income was recorded from holding of 25,789,000 shares of Wanka. Hence, no income or expense from the Financial Assets Measured at FVTOCI was recorded (1H 2021: Nil).

(b) Implication on Other Comprehensive Expenses for the Reporting Period

The closing share price of Wanka was HK\$0.36 as at 30 June 2022 (being the last trading day for the Reporting Period), an unrealised loss on fair value changes of the Financial Assets Measured at FVTOCI of approximately RMB1.2 million was recorded for 1H 2022 (1H 2021: gain of approximately RMB3.3 million) and was recognised as other comprehensive income. Realised gain or loss on fair value change is a cash item while unrealised fair value change is a non-cash item and will not affect the cash flow of the Group.

The table below summarises the performance of 25,789,000 shares of Wanka during the Reporting Period:

	Number of shares	Price (per share) <i>HK\$</i>	Recorded in unaudited condensed consolidated statement of financial position		Recorded in unaudited condensed consolidated statement of comprehensive income	
			Financial assets measured at fair value through other comprehensive income <i>RMB'000</i>	Financial assets measured at fair value through other comprehensive income reserve <i>RMB'000</i>	Profit for the Reporting Period <i>RMB'000</i>	Other comprehensive income for the Reporting Period <i>RMB'000</i>
As at 1 January 2022	25,789,000	0.50	10,520	(30,401)	—	—
Unrealised fair value changes	—		(1,236)	(1,236)	—	(1,236)
As at 30 June 2022	<u>25,789,000</u>	0.36	<u>9,284</u>	<u>(31,637)</u>	<u>—</u>	<u>(1,236)</u>
Percentage to total assets						
As at 30 June 2022			<u>0.3%</u>			
As at 31 December 2021			<u>0.3%</u>			

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

During the Reporting Period, the principal capital expenditures of the Group were attributable to the additions of equipment at its existing production facilities. As part of the Group's future strategies, the Group's planned capital expenditures for its business operations will be primarily related to the construction and commencement of operations of its new production facilities. The Group anticipates that its capital expenditures will be financed by cash generated from its operations and the utilisation of the net proceeds from the issue of the Shares of the Company from the initial public offer (the "**Listing**") as set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 16 June 2017 (the "**Prospectus**") and the Company's announcement dated 2 February 2021.

There are no other plans for material investments on capital assets as at the date of this announcement.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The net proceeds from the Listing amounted to approximately HK\$855.0 million (equivalent to approximately RMB741.5 million). On 2 February 2021, the Board announced that there would be a change in use of the net proceeds from the initial public offering of the Company. Please refer to the announcement of the Company dated 2 February 2021 for details.

As at 30 June 2022, the net proceeds were applied as follows:

Purpose	Planned amount as mentioned in the Prospectus		Percentage of total amount	Actual usage up to 30 June 2022		Unutilised amount as at 30 June 2022	Expected timeline for fully utilising the remaining proceeds
	RMB million	Revised allocation RMB million		RMB million	RMB million		
Expanding and improving the production facilities in PRC							
i) Set up the Huizhou New Production Base	155.0	155.0	20.9%	155.0	—	N/A	
ii) Construct the Wuxi New Production Base	76.4	57.2	7.7%	57.2	—	N/A	
iii) Construct a new electroplating production line	23.0	23.0	3.1%	23.0	—	N/A	
iv) Invest in plastic injection equipment	11.9	11.9	1.6%	11.9	—	N/A	
Constructing the new production base in Mexico and investing in production facilities and equipment	298.1	389.0	52.5%	359.2	29.8		By end of 2022
Reinforcing the market position and enhancing the sales, increasing the direct exposure in the mid-to-high end automobile manufacturing segment and market shares in North America and Europe	40.0	1.3	0.1%	1.3	—	N/A	
Enhancing the product quality, product safety and R&D capabilities	42.3	42.3	5.7%	42.3	—	N/A	
Enhancing the information technology and customer services systems	35.6	2.6	0.4%	2.6	—	N/A	
Working capital and general corporate purposes	59.2	59.2	8.0%	59.2	—	N/A	
Total	741.5	741.5	100.0%	711.7	29.8		

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

During the Reporting Period, the Group did not have any material acquisitions and disposals of subsidiaries.

PLEDGE OF ASSETS

As at 30 June 2022, certain buildings, right-of-use assets and machineries with a net book value in aggregate of approximately RMB128.9 million were pledged to financial institutions to secure general banking facilities (31 December 2021: certain machineries with a net book value of approximately RMB1.2 million).

FOREIGN EXCHANGE EXPOSURE

Certain assets of the Group are denominated in foreign currencies such as United States dollars, Euros and Hong Kong dollars. The Group has not implemented any foreign currency hedging policy at the moment. However, continuous monitoring on the foreign exchange exposure is being carried out by the management.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients.

To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

1. The Company obtained a short-term loan denominated in Hong Kong Dollar of HK\$50.0 million from a Shareholder on 4 July 2022, with an effective interest rate of 1.77% per annum for working capital purpose. Such amount due to a Shareholder was fully repaid on 23 August 2022; and
2. The Company obtained a bank loan denominated in euro of EUR10.0 million from a financial institution on 11 August 2022 for working capital purpose.

CAPITAL COMMITMENT AND CONTINGENCIES

Capital commitment of the Group as at 30 June 2022 and 31 December 2021 were approximately RMB166.4 million and approximately RMB152.2 million, respectively, which were both attributable to the construction and acquisition of our new production bases and facilities. The Group did not have any significant contingent liabilities as at 30 June 2022 and 31 December 2021 respectively.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2022, the Group had 6,392 employees (31 December 2021: 5,851 employees), among which 4,664, 6, 22, 20 and 1,680 staff members employed in China, Hong Kong, the United States, Germany and Mexico, respectively. The remuneration and staff cost for the Reporting Period were approximately RMB334.8 million (1H 2021: approximately RMB321.6 million).

The salaries of the Group's employees largely depend on their type and level of work as well as their length of service with the Group. They receive social welfare benefits and other benefits including social insurance. As required by the relevant laws and regulations on social insurance in relevant jurisdiction, the Company participates in the social insurance schemes operated by the relevant local government authorities which include retirement pension, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance in the countries the Group operates.

The Directors and senior management of the Company receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses relating to the performance of the Group. The Company also reimburses them for expenses which are necessarily and reasonably incurred for providing services to the Company or executing their functions in relation to its operations. The Company regularly reviews and determines the remuneration and compensation packages of the Directors and senior management.

Further, the remuneration committee of the Board reviews the remuneration and compensation packages of the Directors and senior management with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management and performance of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company or any of its subsidiaries did not purchase, sell or redeem any of its listed securities for the Reporting Period.

COMPLIANCE WITH THE CG CODE

The Board and the Company's management are committed to maintaining high standards of corporate governance. The Board firmly believes that conducting the Group's business in a transparent and responsible manner and following good corporate governance practices serve the Group's long-term interests and those of the Shareholders. The Board considers the Company had complied with all the code provisions of the Corporate Governance Code (the "**CG Code**") as contained in Part 2 of Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the Reporting Period.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. In response to a specific enquiry made by the Company, all Directors confirmed that they had complied with the Model Code for the Reporting Period.

AUDIT COMMITTEE REVIEW

The Company has established an audit committee of the Board (the “**Audit Committee**”) with written terms of reference in compliance with the CG Code. The Audit Committee comprises all the three independent non-executive Directors, namely Mr. Tang Chi Wai (committee chairman), Mr. Gan Weimin and Prof. Cao Lixin. The Audit Committee has reviewed the Group’s unaudited condensed consolidated interim financial information for 1H 2022. Based on this review and discussions with the management, the Audit Committee was satisfied that the financial information was prepared in accordance with applicable accounting standards and fairly presented the Group’s financial position and results for 1H 2022.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The results announcement is required to be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company at www.xinpoint.com, respectively. The interim report of the Company for the Reporting Period will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Xin Point Holdings Limited
Ma Xiaoming
Chairman

Hong Kong, 25 August 2022

As at the date of this announcement, the Board comprises Mr. MA Xiaoming, Mr. MENG Jun, Mr. ZHANG Yumin, Mr. LIU Jun, Mr. HE Xiaolu and Mr. JIANG Wei as executive Directors; and Mr. TANG Chi Wai, Mr. GAN Weimin and Prof. CAO Lixin as independent non-executive Directors.