Xin Point Holdings Limited
信邦控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1571)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 3.4% to approximately RMB3,207.7 million (FY2023: approximately RMB3,102.9 million).
- Gross profit increased by approximately 5.4% to approximately RMB1,163.1 million (FY2023: approximately RMB1,103.0 million).
- Profit attributable to owners of the Company decreased by approximately 7.2% to approximately RMB563.5 million (FY2023: approximately RMB607.4 million).
- Basic earnings per share decreased by 8.2% to approximately RMB56 cents (FY2023: approximately RMB61 cents).
- Proposed final dividend amounted to HK30 cents per share.
- Capital expenditure decreased by approximately 2.0% to approximately RMB256.8 million (FY2023: approximately RMB262.1 million).
- Consolidated net asset value increased by approximately 0.2% to approximately RMB3,482.1 million (FY2023: approximately RMB3,475.3 million).

The board (the "**Board**") of directors (the "**Directors**") of Xin Point Holdings Limited (the "**Company**" or "**Xin Point**") is pleased to announce the consolidated financial results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024 ("**FY2024**" or "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2023 ("**FY2023**") reviewed by the audit committee of the Board (the "**Audit Committee**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
REVENUE	4	**3,207,650**	3,102,923
Cost of sales		**(2,044,519)**	(1,999,925)
Gross profit		**1,163,131**	1,102,998
Other income and gains		**50,198**	120,815
Selling and distribution expenses		**(85,869)**	(90,475)
Administrative expenses		**(408,117)**	(370,794)
Finance costs		**(4,945)**	(8,948)
Share of profit of an associate		**851**	755
Share of loss of a joint venture		**(3,807)**	(4,875)
PROFIT BEFORE TAX	5	**711,442**	749,476
Income tax expense	6	**(149,799)**	(144,759)
PROFIT FOR THE YEAR		**561,643**	604,717
Attributible to:			
Owners of the parent		**563,454**	607,394
Non-controlling interests		**(1,811)**	(2,677)
		561,643	604,717

	Notes	**2024**	2023
		RMB'000	*RMB'000*
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		**(139,184)**	167,798
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		**630**	(4,546)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(138,554)**	163,252
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**423,089**	767,969
Attributible to:			
Owners of the parent		**424,900**	770,646
Non-controlling interests		**(1,811)**	(2,677)
		423,089	767,969
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
– Basic		**RMB56 cents**	RMB61 cents
– Diluted		**RMB56 cents**	RMB61 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,711,199**	1,722,959
Right-of-use assets		**95,955**	129,394
Intangible assets		**—**	—
Investment in an associate		**8,481**	7,630
Investment in a joint venture		**488**	295
Financial asset at fair value through other comprehensive income		**4,508**	3,753
Prepayments and deposits		**188,464**	272,446
Deferred tax assets		**13,674**	4,504
Total non-current assets		**2,022,769**	2,140,981
CURRENT ASSETS			
Inventories		**556,068**	598,254
Trade and bills receivables	9	**716,839**	761,835
Prepayments, deposits and other receivables		**268,220**	262,195
Tax recoverable		**5,577**	1,889
Cash and bank balances		**780,876**	667,162
Total current assets		**2,327,580**	2,291,335

	Notes	2024	2023
		RMB'000	*RMB'000*
CURRENT LIABILITIES			
Trade payables	10	**392,208**	397,653
Other payables and accruals		**257,160**	268,479
Interest-bearing bank borrowing		**52,897**	—
Lease liabilities		**28,443**	29,455
Tax payable		**97,647**	123,828
Total current liabilities		**828,355**	819,415
NET CURRENT ASSETS		**1,499,225**	1,471,920
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,521,994**	3,612,901
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowing		**—**	70,533
Deferred tax liabilities		**15**	39
Lease liabilities		**39,869**	67,071
Total non-current liabilities		**39,884**	137,643
Net assets		**3,482,110**	3,475,258
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**87,485**	87,485
Reserves		**3,400,934**	3,392,271
		3,488,419	3,479,756
Non-controlling interests		**(6,309)**	(4,498)
Total equity		**3,482,110**	3,475,258

NOTES

1. CORPORATE INFORMATION

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 year, the Group was principally engaged in the manufacture and sale of automotive and electronic components.

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for a financial asset at fair value through other comprehensive income which has been measured at fair value. The financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time in the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

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

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the manufacture and sale of automotive and electronic components. For the purpose of resources allocation and performance assessment, the Group's management focuses on the operating results of the Group. As such, the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
China	**1,147,391**	1,115,290
North America	**1,533,273**	1,457,226
Europe	**349,145**	419,303
Other countries	**177,841**	111,104
	3,207,650	3,102,923

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024	2023
	RMB'000	*RMB'000*
China	**1,134,452**	1,128,187
Other countries	**870,135**	1,004,537
	2,004,587	2,132,724

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets and financial instruments.

Information about a major customer

There were no sales to a single customer contributing over 10% of the total revenue of the Group in both years.

4. REVENUE

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**3,207,650**	3,102,923

(i) Disaggregated revenue information

The Group's entire revenue from the goods transferred is recognised at a point in time.

The following table shows the amounts of revenue recognised in the Reporting Period that were included in the contract liabilities at the beginning of the Reporting Period and recognised from performance obligations satisfied in previous periods:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	**3,665**	2,038

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation is satisfied upon delivery of the industrial products and payment is generally due within 30 to 120 days from delivery, except for new customers, where payment in advance is normally required.

5. PROFIT BEFORE TAX

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

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories sold[@]	**2,044,519**	1,999,925
Write-down of inventories to net realisable value	**896**	552
Depreciation of property, plant and equipment	**201,527**	190,238
Depreciation of right-of-use assets	**36,199**	34,818
Lease payments not included in the measurement of lease liabilities	**16,823**	15,992
Gains on lease modifications	**—**	(366)
Impairment/(reversal of impairment) of trade receivables	**4,580**	(302)
Impairment of items of property, plant and equipment	**—**	11,307
Research and development costs[#]	**73,031**	76,234
Auditor's remuneration	**3,608**	4,198
Employee benefit expense[@] (including directors' and chief executive's remuneration)		
Wages and salaries	**659,296**	641,481
Equity-settled share option expense	**—**	2,347
Pension scheme contributions**	**65,574**	67,283
	724,870	711,111
Write-off of items of property, plant and equipment*	**4,414**	147
Loss/(gain) on disposal of items of property, plant and equipment, net*	**(2,937)**	2,637
Foreign exchange differences, net*	**30,482**	(76,734)

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

@ Part of the employee benefit expense is included in "Cost of inventories sold" in the consolidated statement of profit or loss and other comprehensive income.

Research and development costs are included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, 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 (2023: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, except for two subsidiaries of the Group qualified as a High and New Technology Enterprise in Mainland China have a lower corporate income tax rate of 15% (2023: 15%) applied for the year.

	2024	2023
	RMB'000	*RMB'000*
Current:		
Charge for the year		
Hong Kong	**48,530**	54,360
Elsewhere	**117,620**	85,126
Underprovision/(overprovision) in prior years	**(7,157)**	5,196
Deferred	**(9,194)**	77
Total tax charge for the year	**149,799**	144,759

7. DIVIDENDS

	2024	2023
	RMB'000	*RMB'000*
Interim – HK$0.20 (2023: HK$0.10) per ordinary share	**182,873**	93,611
Proposed final – HK$0.3 (2023: HK$0.25) per ordinary share	**280,803**	233,364
	463,676	326,975

A final dividend of HK$0.3 per share amounting to approximately RMB280,803,000 in respect of the year ended 31 December 2024 (2023: HK$0.25 per share amounting to approximately RMB233,364,000) has been proposed by the Directors and is subject to approval by the shareholders of the Company (the "**Shareholders**") at the forthcoming annual general meeting.

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

Basic earnings per share is calculated by dividing the profit attributable to the ordinary equity holders of the parent by the weighted average number of shares outstanding during the years ended 31 December 2024 and 2023.

	2024	2023
	RMB'000	*RMB'000*
Profit for the year attributable to ordinary equity holders of the parent for the purpose of basic and diluted earnings per share calculation	**563,454**	607,394

	2024	2023
	Number of shares	*Number of shares*
Weighted average number of ordinary shares outstanding during the year used in the basic and diluted earnings per share calculation	**1,002,905,000**	1,002,905,000

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the impact of share options outstanding had no dilutive effect on the basic earnings per share amount presented.

9. 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 loss allowance, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**311,909**	323,873
1 to 2 months	**222,945**	262,341
2 to 3 months	**126,791**	113,013
Over 3 months	**55,194**	62,608
	716,839	761,835

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. Trade and bills receivables are non-interest-bearing.

10. TRADE PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Within 1 month	**215,418**	204,974
1 to 2 months	**73,366**	67,670
2 to 3 months	**14,615**	18,029
Over 3 months	**88,809**	106,980
	392,208	397,653

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

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET OVERVIEW

The global light vehicle market last reached its highest sales volume at 94.5 million units in 2017. However, it experienced a significant downturn during the COVID-19 pandemic, compounded by semiconductor supply shortages that hindered sales recovery worldwide. Despite these challenges, the automotive market is gradually rebounding and is expected to surpass its previous peak by the late 2020s.

In 2024, the automotive industry experienced moderate yet steady progress toward recovery. Following years of supply chain disruptions, pandemic-related impacts, and economic uncertainty, market conditions began to improve. New car sales saw a significant increase, stability returned to the used car market, and the rapid growth of electric vehicles (EVs) continued.

Global vehicle sales was projected to reach 88.2 million units in 2024, representing a 1.7% increase from 2023, according to a leading analyst firm. This growth is driven by ongoing inventory replenishment as supply chains continue to stabilise. Regionally, the Asia-Pacific market accounted for nearly half of the total global vehicle sales. While internal combustion engine (ICE) vehicles maintained the largest market share, the hybrid electric vehicle segment is expected to grow at a significant rate of 20-25% between 2024 and 2025.

In 2024, new vehicle sales in the United States—the world's largest automotive market—reached approximately 16.0 million units, according to estimates from a consulting firm, representing a year-on-year increase of over 2% compared with 2023, reaching the highest sales volume since the COVID-19 pandemic. Total new vehicle sales exceeded market's forecast, with most automakers reporting year-over-year growth, except for Stellantis and Tesla. General Motors led as the top-selling automaker, while Honda and Mazda recorded strong growth. Retail sales were particularly robust toward the end of the year.

The European auto market, including the UK, experienced modest growth of 0.9% in 2024 compared to the previous year. Reduced demand was primarily concentrated in Western Europe, while many regional markets saw downward adjustments in their outlooks. Weak sales rates were driven by persistently high vehicle prices and a complicated economic environment. Additionally, recent political developments in Germany and France have heightened uncertainty in the region. Despite support from interest rate cuts and new model launches, elevated pricing and challenges faced by domestic manufacturers have created a difficult market environment throughout 2024.

The market for the Asia Pacific region in 2024 remained positive. Since the Chinese government has doubled the amount of temporary scrappage subsidies, market activities recovered quickly over the course of the second half of 2024 (2H 2024).

Based on the data from the China Association of Automobile Manufacturers (CAAM), China produced 31.3 million and sold 31.4 million light-duty vehicles in 2024, up 3.7% and 4.5% year-on-year, respectively.

China remains the global leader in the automotive industry’s prevailing trend: electrification. In 2024, electric vehicles (battery electric vehicles (BEVs) and plug-in hybrid electric vehicles) accounted for over 40% of the country’s total new car sales. The Chinese government continues to support EV adoption through subsidies aimed at boosting consumer demand. With a well-established EV supply chain, China’s strategic push enables industry players to scale up production efficiently and maximise factory utilisation. Meanwhile, the growing number of EV-exclusive manufacturers continues to navigate challenges related to excess capacity.

The diverging picture between East and West is evident in the rapidly growing market share of new Chinese brands. Both BYD and Geely have entered the top 10 car groups, whereas just five years ago, BYD was relatively small. In 2024, BYD delivered nearly as many EVs as Tesla (1.76 million) and could potentially become the largest BEV manufacturer by the end of 2025.

With the rising popularity and acceptance of EVs in the automotive market, interior lighting has become the new trend in automotive interiors in 2024. Modern vehicles incorporate innovative lighting concepts to create immersive and customisable environments, where ambient lighting serves both aesthetic and functional purposes—enhancing driver focus and passenger comfort. Advances in LED technology allow for flexible design, enabling manufacturers to shape LEDs into virtually any form. Designers frequently leverage this capability to accentuate a vehicle's sleek lines and highlight the premium quality of interior finishes.

BUSINESS OVERVIEW

There is no doubt that the automotive world in 2024 was on the brink of a paradigm shift driven by unprecedented technological advancements and a deepening commitment to sustainability. However, such technological advancements come with challenges, and some of these challenges are already slowing down growth in the auto industry. Global economic slowdowns and fierce competition from Chinese manufacturers have already slowed down the growth of EVs; in fact, major original equipment manufacturers (OEMs), such as Ford, Stellantis, and Volkswagen, have already been revising production plans and scaling back their forecasts, indicating a shift from the previously optimistic outlook for the industry.

Although EV sales reached 17.4 million units in 2024, reflecting a 48% year-over-year growth, global electric light vehicle sales are expected to see slower growth in 2025. In the U.S., President Donald Trump's efforts to roll back stringent vehicle emission standards and eliminate the current US$7,500 EV tax credit could make EVs less affordable for many consumers, potentially driving increased sales of ICE vehicles. In response, many major automakers are scaling down EV production plans and shifting focus toward hybrids and plug-in hybrids. These alternatives not only offer a more cost-effective and adaptable solution compared to full EVs, but also provide greater flexibility, effectively addressing consumer concerns such as range anxiety.

Leveraging its expertise in surface treatment technologies and long-standing partnerships with major international OEMs and tier 1 suppliers, Xin Point achieved modest growth in both revenue and gross profit for FY2024.

While the Group's total number of sales units for FY2024 continued to decrease by 7.4%, from approximately 393.4 million in FY2023 to 364.2 million in FY2024, the Group's total revenue further increased to approximately RMB3,207.7 million, reflecting a 3.4% modest increase compared to FY2023 (FY2023: approximately RMB3,102.9 million).

The Group's gross profit for FY2024 reached approximately RMB1,163.1 million, reflecting a 5.4% increase compared to the previous year (FY2023: RMB1,103.0 million). The gross profit margin further improved to 36.3% in FY2024, up from 35.5% in FY2023. This increase was primarily driven by continuous enhancements in operational efficiency, particularly the positive contributions from our production facilities in Mexico.

Electroplating production capacity and utilisation rate

During 2024, there have been no significant changes in our electroplating production capacity and our annualised electroplating production capacity remained at approximately 3.6 million sq.m. as of 31 December 2024 (as of 31 December 2023: approximately 3.6 million sq.m.).

The Group's overall utilisation rate of electroplating production capacity for FY2024 was approximately 84.2%, where the utilisation rate for FY2023 was approximately 86.6%, representing a drop of approximately 2.4 percentage points due to the installation of a new electroplating production line in mid-2023 which operated for a full year during 2024.

Production yield

During FY2024, our overall production yield rate further improved from 93.5% in FY2023 to 94.1%. Such increase was the result of improved operating efficiencies achieved in our Mexico plant and the continuous implementation of automation for Xin Point's other factories.

Outlook and order book

"2025 is set to be an exceptionally challenging year for the automotive industry, as key regional factors constrain potential demand, while the new U.S. administration introduces additional uncertainty from the outset," stated a renowned market research firm. The firm forecasts global new vehicle sales to reach 89.6 million units in 2025, representing a modest 1.7% year-over-year increase, indicating a cautious recovery. However, automotive forecasts for 2025 have been downgraded across the board.

This forecast takes into account several key factors, including improved supply conditions, tariff impacts, persistently high interest rates, affordability challenges, elevated new vehicle prices, uneven consumer confidence, energy price and supply concerns, risks in auto lending, and the ongoing challenges of electrification. In the U.S., President Donald Trump is expected to move swiftly in 2025 with a range of policy priorities, including implementing universal tariffs, pursuing deregulation, and reducing support for BEVs.

It is worth noting that global car sales in 2024 remained well below 2019 levels and fell several million units short of the peaks seen in 2017 and 2018. In Europe, the absence of a strong post-COVID-19 market rebound has been even more prominent, with car sales still approximately 18% lower than in 2019. As a result, vehicle renewal rates remain low, contributing to an ageing fleet. One key factor behind the persistently weak demand is the reduced replacement of company cars during the pandemic, which continues to impact the market.

The Chinese market is expected to continue its expansion, driven by ongoing incentive programmes and the competitive pricing of locally manufactured EVs. According to CAAM, wholesale vehicle sales are projected to grow by 4.7% year-on-year in 2025, with new energy vehicles (NEVs) anticipated to see a significant increase of 24.4% year-on-year.

As the world's largest automotive market, China is on track to approach the 50% mark for EV sales in 2025—much earlier than previously anticipated and far ahead of other regions. Holding more than 60% of global EV sales, China's rapid growth is expected to drive the global EV market share to nearly 25% in 2025, even when the U.S. market experiences a slowdown.

In the U.S., the automotive industry faces heightened uncertainty under the new administration. The potential implementation of Trump-era tariffs could have a profound impact on the sector, with repercussions extending globally. Given the highly integrated nature of automotive supply chains, import levies would quickly drive up costs, exerting pressure on pricing and triggering shifts in trade patterns. While U.S.-based automakers may have some capacity to restructure manufacturing operations and relocate production domestically, doing so is not always feasible and would require significant investment and workforce expansion. As a result, rising costs are inevitable, with at least a portion likely to be passed on to consumers.

Xin Point has successfully navigated years of challenging and uncertain conditions within the automotive industry and remains cautious in the face of emerging geopolitical uncertainties. To mitigate potential risks, conservative provisions have been made to our order book, with a pipeline totaling approximately RMB10.1 billion over the next five years, from 1 January 2025, to the end of 2029.

Historically, Xin Point has prioritised flexibility and resilience in restructuring its supply chains and diversifying production bases. Rather than relying solely on manufacturing facilities in China, our established presence in Mexico and, more recently, Malaysia demonstrates our adaptability. By staying attuned to evolving trade policies in key markets, Xin Point is well-positioned to swiftly adjust operational strategies in response to escalating geopolitical risks.

FINANCIAL REVIEW

Revenue

The global automotive sector remains focused on managing production and inventory levels in response to regional demand patterns, which include slower growth in key markets, in some cases related to slower electric vehicle adoption rates.

Major automakers have successfully mitigated recent supply chain challenges, while consumer confidence has shown signs of recovery in 2024. Together, these factors have created improved opportunities within the global automotive sector.

As a result, Xin Point achieved further revenue growth in FY2024. The Group recorded total revenue of RMB3,207.7 million, reflecting an increase of approximately RMB104.8 million, or 3.4%, compared to RMB3,102.9 million in FY2023. Similar to the previous year, Xin Point experienced particularly strong revenue growth in the North American market.

On the other hand, the total number of units of automotive decorative components sold in FY2024 further decreased by approximately 29.2 million units or approximately 7.4% from FY2023, while the average selling price ("**ASP**") for automotive decorative components increased to approximately RMB8.81 per unit or by approximately 11.7% when compared to FY2023, which was again the reason for the Group's revenue growth for FY2024:

i. the revenue from spray painting and assembly production lines continued to increase during FY2024: the revenue from spray painting products and assembly production lines continued to increase while revenue from sole electroplating products recorded a slight decrease during the year;

ii. the gross revenue, product ASP and segmental percentage figures derived from the North American region still showed a rising trend during FY2024. The product ASPs from this region increased by 7.3%, due to both new orders and strong underlying demands from job market which has stabilised: the overall economic momentum was building and stock market was growing, with a lower risk of recession and expected vehicle affordability;

iii. the percentage of revenue derived from China for FY2024 remained stable. There was an increase in revenue derived from China of approximately RMB32.1 million or 2.9% when compared to FY2023. The weak performance within the Chinese auto market in the first half of 2024 was completely offset by the growth in the second half of the year, as the market responded to government stimulus measures as well as aggressive promotions by vehicle manufacturers and dealers, including heavy discounting; and

iv. While China and the U.S. achieved low-to-mid single-digit year-on-year growth in FY2024, the European auto market, monitored by the European Automobile Manufacturers' Association and including the UK market, lagged behind with modest growth of 0.9% compared to 2023. European car sales dynamics varied among the big markets, partly impacted by the phasing out of the electric vehicle incentive programmes. Meanwhile, France, Germany and Italy recorded declines of 3.2%, 1.0% and 0.5%, respectively. Hence, the Group's revenue from Europe was still being affected.

Revenue by geographic segment:

	FY2024		FY2023	
	RMB'000	***%***	*RMB'000*	*%*
China	**1,147,391**	**35.8%**	1,115,290	35.9%
North America	**1,533,273**	**47.8%**	1,457,226	47.0%
Europe	**349,145**	**10.9%**	419,303	13.5%
Others	**177,841**	**5.5%**	111,104	3.6%
	3,207,650	**100.0%**	3,102,923	100.0%

Cost of sales

	FY2024		FY2023	
	RMB'000	***%***	*RMB'000*	*%*
Direct materials	**727,718**	**35.6%**	711,344	35.6%
Staff costs	**522,118**	**25.5%**	520,398	26.0%
Overheads	**794,683**	**38.9%**	768,183	38.4%
	2,044,519	**100.0%**	1,999,925	100.0%

Cost of sales increased by approximately RMB44.6 million or 2.2% from approximately RMB1,999.9 million for FY2023 to approximately RMB2,044.5 million for FY2024, while the revenue increased by 3.4% during FY2024 and such increase of cost of sales was the main result of the following:

i. After years of extreme volatility, commodity prices were expected to stabilise in 2024 due to ample supply and sluggish demand, which have helped keep prices moderate. The Group reported a year-on-year increase of only 2.3% in raw material costs, reaching RMB727.7 million for FY2024. Given the Group's revenue growth of 3.4%, as previously discussed, the improved efficiency in material consumption—driven by effective management and automation—has continued to positively contribute to overall cost control;

ii. Xin Point management always keeps its focus on improving the efficiency and productivity of its production facilities in order to achieve further cost savings by minimising manual labour through automation. Xin Point again successfully kept our staff cost growth rate at a minimal level of 0.3%, which was again lower that the growth rate of revenue for FY2024; and

iii. Overheads for FY2024 totaled approximately RMB794.7 million, reflecting an increase of RMB26.5 million, or 3.4%, from RMB768.2 million in FY2023. This increase was primarily driven by higher depreciation charges for machinery and factory buildings acquired in recent years, partially offset by a reduction in utility consumption. Notably, there were no significant increases in mould and logistics costs compared to FY2023.

Gross profit

Throughout the year, Xin Point maintained its stringent cost management philosophy by enhancing automation and streamlining operational efficiency.

Xin Point continued to record an improved gross profit margin of 36.3% for the Reporting Period when compared with 35.5% in FY2023. The gross profit was approximately RMB1,163.1 million and approximately RMB1,103.0 million for FY2024 and FY2023 respectively, representing an increase of approximately 5.4%, such increase partly attributed to the contribution improvements achieved by our production facilities in Mexico.

Other income and gains

Other income and gains mainly represented bank interest income, income from sale of scraps and testing fee income. Other income and gains decreased from approximately RMB120.8 million in FY2023 to approximately RMB50.2 million in FY2024, mainly due to the exchange losses of RMB30.5 million incurred by the Group which were accounted for as administrative expenses (please refer to the section "Administrative expenses" below), whereas exchange gains of RMB76.7 million were accounted for as other income and gains for FY2023.

Selling and distribution expenses

Selling and distribution expenses sightly decreased by approximately RMB4.6 million or approximately 5.1% to approximately RMB85.9 million for FY2024 as compared to FY2023. The increase was mainly the result of more efficient controls on overseas business travelling cost.

Administrative expenses

Details of administrative expenses are summarised below:

	FY2024		FY2023	
	RMB'000	***%***	*RMB'000*	*%*
Staff costs	**164,190**	**40.2%**	155,275	41.9%
Research and development expenses	**73,031**	**17.9%**	76,234	20.6%
Depreciation and amortisation	**23,278**	**5.7%**	28,561	7.7%
Exchange losses	**30,482**	**7.5%**	—	—
Legal and professional fees	**21,210**	**5.2%**	20,765	5.6%
Impairment of items of property, plant and equipment	**—**	**—**	11,307	3.0%
Others	**95,926**	**23.5%**	78,652	21.2%
	408,117	**100.0%**	370,794	100.0%

Administrative expenses increased by approximately RMB37.3 million or approximately 10.1% from approximately RMB370.8 million for FY2023 to approximately RMB408.1 million for FY2024.

The increase in administrative expenses was the combined effects of the following:

i. there was an increase in staff costs by approximately RMB8.9 million for FY2024, which was the result of the performance bonus paid to those staff who contributed to the improved results of the Group;

ii. there was a slight decrease in research and development ("**R&D**") expenses by approximately RMB3.2 million;

iii. net exchange losses of approximately RMB30.5 million were recorded (FY2023: exchange gains of approximately RMB76.7 million accounted for as other income and gains, see above) mainly due to the exchange fluctuations between Mexican peso and United States dollar ("**USD**"); and

iv. there were no further provisions for the obsolete electroplating production lines for FY2024, whereas approximately RMB11.3 million provision was made for some facilities in the Wuxi production bases during last year.

Net profit attributable to owners of the Company

Net profit attributable to owners of the Company decreased by approximately 7.2% from approximately RMB607.4 million for FY2023 to approximately RMB563.5 million for FY2024. Such decrease was due to, among other things, the combined effects of the following factors:

i. the Group's revenue recorded a growth of 3.4% or an increase of approximately RMB104.8 million for FY2024, the gross profit also increased from approximately RMB1,103.0 million for FY2023 to approximately RMB1,163.1 million for FY2024 as the Group has been continuously adopting the process automation and cost control initiatives;

ii. selling and distribution expenses decreased by 5.1% for FY2024 as compared to FY2023;

iii. other income and gains decreased by approximately 58.5% to approximately RMB50.2 million for FY2024, primarily because there were no significant net exchange gains recorded for FY2024 as the exchange rate between the USD against Renminbi ("**RMB**") remained stable during the year;

iv. there was an increase in administrative expenses by approximately 10.1% to approximately RMB408.1 million for FY2024, mainly attributable to the exchange losses of RMB30.5 million incurred from our Mexico operations; and

v. income tax increased by approximately 3.5% for FY2024 due to the payment of withholding taxes for the dividends distributions from our subsidiaries from China.

Had the uncontrollable exchange differences not taken into account, the Group's net profit figure could have increased year-on-year compared with FY2023.

Basic earnings per share attributable to owners of the Company for FY2024 decreased by 8.2% as compared to last year and was approximately RMB56 cents (FY2023: approximately RMB61 cents).

Total comprehensive income

Total comprehensive income for FY2024 was RMB423.1 million (FY2023: RMB768.0 million), which comprised (a) profit for FY2024 of RMB561.6 million (FY2023: RMB604.7 million); and (b) other comprehensive loss for FY2024 of RMB138.5 million (FY2023: other comprehensive income of RMB163.3 million) which included unrealised gain on fair value changes of listed equity investment at fair value through other comprehensive income of approximately RMB0.6 million (FY2023: unrealised loss of RMB4.5 million).

Liquidity and financial resources

For FY2024, the Group's net cash inflow from operating activities amounted to approximately RMB826.9 million, as compared to approximately RMB897.6 million in FY2023. Such decrease in the Group's operating cash inflow was mainly due to the additional withholding tax paid for the distributions from our subsidiaries in China.

As at 31 December 2024, the Group had an interest-bearing bank borrowing of RMB52.9 million, and the gearing ratio, being total bank borrowings divided by total equity, was 1.5% (31 December 2023: 2.0%).

Commitments

As at 31 December 2024, the Group had the following commitments:

	RMB'000
Capital commitments	
Capital expenditure contracted but not provided for in the consolidated financial statements in respect of:	
Acquisition of property, plant and equipment	146,420
Capital contributions to a joint venture company	31,201
	177,621

Interest rate and foreign exchange risks

As at 31 December 2024, the balance of a bank borrowing of the Group was approximately RMB52.9 million which was at a fixed interest rate.

The Group's cash and bank balances are mainly denominated in RMB, Euro ("**EUR**") and USD. As at 31 December 2024, the Group's cash and bank balances denominated in currencies other than the functional currencies amounted to approximately RMB618.2 million, of which approximately RMB455.5 million was denominated in USD, approximately RMB116.1 million was denominated in EUR, and approximately RMB10.6 million was denominated in Hong Kong dollar.

As a result of the constant increase in overseas sales and the vigorous fluctuation in currency markets, the management of the Group expressed a more cautious attitude towards the foreign exchange risk and closely monitored the foreign exchange exposure and adjusted the control strategy.

Contingent liabilities

As at 31 December 2024, the Group had no contingent liabilities (31 December 2023: nil).

Mortgaged assets

To secure general banking facilities, two of the Group's subsidiaries in China pledged their land leases with a net carrying amount of approximately RMB12.8 million as at 31 December 2024.

Capital expenditure

Capital expenditure includes the acquisition of property, plant and equipment, the increase in construction in progress and the addition of land use rights. During FY2024, the Group's capital expenditure amounted to approximately RMB256.8 million (FY2023: approximately RMB262.1 million). The capital expenditure accommodated further investments in our new injection, and spray-painting and electroplating production facilities located in China and Mexico for the planned production capacity expansion to meet our customers' demands.

IMPORTANT EVENTS AFTER THE END OF FY2024

On 14 February 2025, the Board resolved to propose to the shareholders of the Company to adopt a new share option scheme (in addition to the 2017 Share Option Scheme (as defined below)) and a new share award scheme, which will be subject to the approval of the shareholders. Please refer to the announcement of the Company dated 14 February 2025 for further details.

Save as disclosed above, there are no important events affecting the Group which have occurred since the end of FY2024 and up to the date of this announcement.

Dividend

The Board recommends the payment of a final dividend of HK$0.3 per ordinary share ("**Share(s)**") for FY2024. Together with the interim dividend of HK$0.2 per Share paid, the effective dividend payout ratio was 82.6%, when calculated against the net profit of RMB561.6 million for FY2024.

EMPLOYEES

As at 31 December 2024, the Group had 5,212 employees (31 December 2023: 5,227 employees), among which, 4,383, 8, 21, 11 and 789 employees were based in China, Hong Kong, the U.S., Germany and Mexico, respectively. The remuneration of employees and staff costs for FY2024 were approximately RMB724.9 million (FY2023: RMB711.1 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 regarding social insurance, the relevant subsidiary of 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 where the subsidiary operates.

The Directors and senior management of the Company receive compensation in the form of salaries, benefits in kind and/or discretionary bonuses based on 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 of the Company.

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

DEVELOPMENT & TRAINING

All new employees are required to attend orientation training to ensure that the employees are aware of and familiar with the Group's values and goals and understand their role in the Group. Employees are encouraged to attend seminars relevant to their position to enhance the competencies for their role within the Group.

CAPITAL STRUCTURE

As at 31 December 2024, 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 2023: RMB87.5 million).

SHARE OPTION SCHEME

A share option scheme (the "**2017 Share Option Scheme**") was adopted by written resolutions passed by the then shareholders of the Company 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.

On 14 August 2018, the Board granted share options to a group of eligible grantees (the "**Grantees**") to subscribe for up to 22,946,000 Shares, allowing the Grantees to exercise such share options starting from 15 August 2021 to 13 August 2028 (both days inclusive). The price per Share paid by the Grantees upon exercising the share options was determined pursuant to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and with reference to the average closing prices of the Shares as stated in the daily quotation sheet of the Stock Exchange for the five trading days immediately preceding 14 August 2018 (i.e. the date of grant).

No options were granted under the 2017 Share Option Scheme during FY2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During FY2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK$0.3 per Share for FY2024 to the shareholders whose names appear on the register of members of the Company on 4 July 2025 (the "**Proposed Final Dividend**"). Subject to the approval of the Company's shareholders at the Company's forthcoming annual general meeting to be held on 18 June 2025 (the "**2025 AGM**"), the Proposed Final Dividend is expected to be paid on or around 21 July 2025.

CLOSURE OF REGISTER OF MEMBERS FOR 2025 AGM

For the purpose of determining the rights to attend and vote at the 2025 AGM, the register of members of the Company will be closed from 13 June 2025 to 18 June 2025 (both days inclusive), during which period no transfer of Shares will be effected. In order to be entitled to attend and vote at the 2025 AGM, unregistered holders of Shares should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar 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 12 June 2025.

CLOSURE OF REGISTER OF MEMBERS FOR PROPOSED FINAL DIVIDEND

The payment of the Proposed Final Dividend is subject to the approval of the shareholders of the Company at the 2025 AGM. For the purpose of determining the entitlement to the Proposed Final Dividend, the register of members of the Company will be closed from 30 June 2025 to 4 July 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to the Proposed Final Dividend, unregistered holders of Shares should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar 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 27 June 2025.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this announcement, the Company has maintained the public float as required by the Listing Rules.

CORPORATE GOVERNANCE

The Board monitored the corporate governance practices of the Company throughout FY2024.

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders of the Company as a whole. The Board is of the view that the Company has met the code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules for FY2024.

The Board will continue to review and monitor the practices of the Company with an aim to maintaining and implementing a high standard of corporate governance practices.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code for FY2024. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Group for FY2024.

AUDIT COMMITTEE

The Board has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules. The Audit Committee has reviewed the consolidated financial statements of the Group for FY2024, including accounting principles and policies adopted by the Group, and discussed internal controls and financial reporting matters.

The Audit Committee has also reviewed the remuneration and independence of the auditors of the Company, Ernst & Young, Certified Public Accountants of Hong Kong ("**Ernst & Young**").

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2024 as set out in this announcement have been agreed by the Company's auditors, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is required to be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.xinpoint.com), respectively. The annual report of the Company for FY2024 will be published on the respective websites of the Stock Exchange and the Company in due course.

APPRECIATION

The development of the Group has been blessed with the trust and support of its shareholders, investors and business partners. On behalf of the Board, I also extend my gratitude to all our staff for their hard work and dedication.

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

Hong Kong, 27 March 2025

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.