

**XIN POINT HOLDINGS LTD:
THIS CASH-RICH COMPANY HAS NO APPRECIABLE DEBTS !**

Yet Its Share Price Continues To Drift

The share price of Xin Point Holdings Ltd () (Code: 1571, Main Board, The Stock Exchange of Hongkong Ltd) has been under threat since trading in its shares commenced on Wednesday, June 28, 2017.

The question that right-minded investors might well be asking, today, is:

‘For what reason has the share price of this leading, automotive plastic electroplated components supplier in the People’s Republic of China (PRC) has not even been able to sustain its Offer Price Per Share of \$HK3.42?’

One valid reason for this seeming anomaly could be Management’s open admission that it is finding the going more than a little difficult since the discontinuation of Xin Point Holdings’s strategic partnership with its (former) largest single customer, namely, Keen Point International Incorporated, [referred to in the Global Offering Prospectus, dated June 16, 2017, as simply KPI (Canada)], since March of 2013.

At Pages 33 and 34 of the Global Offering Prospectus, it is stated, in very clear and definitive terms:

‘We have discontinued our strategic partnership with our largest customer during the Track Record Period who is expected to cease to be our customer after 2020, which may result in a decline of our export sale to North America

‘We have discontinued our strategic partnership with KPI (Canada) in March 2013. Under the strategic partnership, we supply automotive decorative components to KPI (Canada) for onward sales to their customers mainly located in North America. KPI (Canada) was our largest customer in 2014, 2015 and 2016. Our revenue generated from sales to KPI (Canada) amounted to approximately RMB313.5 million, RMB248.4 million and RMB206.8 million in 2014, 2015 and 2016, representing approximately 31.2%, 20.6% and 13.4% of our total revenue during the same periods, respectively. After March 2013, we ceased to enter into any sales agreement with KPI (Canada) in relation to new vehicle programmes, except that we, subject to any programme extension by KPI (Canada)’s customers, would continue to supply products to KPI (Canada) and its customers for the remaining term of the existing vehicle programmes that we were engaging in with them, most of which are expected to be completed in or before 2020. As at the Latest Practicable Date (June 6, 2017), our total sales amount under the vehicle programmes involving KPI (Canada) which have not been completed is expected to be approximately RMB285 million. Our Directors foresee that we would not receive any new purchase orders for new vehicle programmes from KPI (Canada) in the foreseeable future.

‘Our sales to KPI (Canada) have decreased since the termination of strategic partnership in March 2013 and would continue to decrease in the future as we complete the remaining term of the existing vehicle programmes with KPI (Canada). If we are unable to increase our sales to other existing customers or establish business relationships with new customers, the termination of the strategic partnership with KPI (Canada) will cause a significant drop in our revenue and this will bring material and adverse effect to our results of operations, our

financial condition and business prospects. ...

‘Furthermore, the discontinuation of our strategic partnership with KPI may result in a decrease in our exports to North America. Our sales to KPI (Canada) attributed to a significant percentage of our export sales to North America, representing approximately 90.7%, 65.2% and 44.8% of our total export sales to North America in 2014, 2015 and 2016, respectively. North America was also our largest export market, attributable to approximately 34.4%, 31.7% and 30.0% of our revenue during the same periods. We established our US sales office in Troy, Detroit, State of Michigan in 2013. With a short operational history in the US, we have not developed an established strong sales network and market recognition in the US market independent from KPI (Canada). If we are unable to develop our own sales network in the US successfully, our export sales to North America will decline and this may affect our market foothold in the North America’s market. This may also cause us to place stronger reliance on other markets.

‘Our strategic partnership with KPI (Canada) could be one of the major factors that our customers, in particular those located in the US, purchased products from us. The discontinuation of the strategic partnership with KPI (Canada) may adversely affect our competitiveness in the US market and customers’ trust in our products. In addition, we face competition from KPI (Canada) which now also procures automotive decorative components from other PRC manufacturers and supplies to a similar clientele in the US market after our strategic partnership was terminated. As such, our business and results of operations could be materially and adversely affected.’

The Global Offering Of Xin Point Holdings Ltd

The Global Offering Prospectus of Xin Point Holdings Ltd was published and disseminated in the Hongkong Special Administrative Region (HKSAR) of the PRC on June 16, 2017.

The ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published,
TARGET cannot be held responsible for any errors and/or omissions.***

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.

