正美丰业

ZMFY Automobile Glass Services Limited
正美豐業汽車玻璃服務有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8135

2018

Third Quarterly Report

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This report for which the directors (the "**Directors**") of ZMFY Automobile Glass Services Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

Contents

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. Xia Xiufeng
(Chairman and Chief Executive Officer)
Mr. Lo Chun Yim
Mr. Lu Yongmin

Non-Executive Director

Mr. Liu Mingyong

Independent Non-Executive Directors

Mr. Jiang Bin
Mr. Guo Mingang
Mr. Luo Wenzhi

LEGAL ADVISERS

Loong & Yeung (as to Hong Kong Law)
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AUDITOR

BDO Limited
Certified Public Accountants
25/F, Wing On Centre
111 Connaught Road Central
Hong Kong

AUTHORISED REPRESENTATIVES

(for the purpose of the GEM Listing Rules)

Mr. Xia Xiufeng
Mr. Lo Chun Yim

COMPANY SECRETARY

Mr. Chan Tsz Kit
HKICPA, CPA Australia

COMPLIANCE OFFICER

Mr. Xia Xiufeng

AUDIT COMMITTEE MEMBERS

Mr. Jiang Bin *(Chairman)*
Mr. Guo Mingang
Mr. Luo Wenzhi
Mr. Liu Mingyong

CORPORATE INFORMATION (CONTINUED)

REMUNERATION COMMITTEE MEMBERS

Mr. Luo Wenzhi *(Chairman)*
Mr. Guo Mingang
Mr. Xia Xiufeng

NOMINATION COMMITTEE MEMBERS

Mr. Guo Mingang *(Chairman)*
Mr. Jiang Bin
Mr. Lu Yongmin

REGISTERED OFFICE

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Beijing Rural Commercial Bank

HONG KONG SHARE REGISTRAR

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WEBSITE ADDRESS

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STOCK CODE

8135

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months and three months ended 30 September 2018

Third Quarterly Results

The unaudited condensed consolidated results of ZMFY Automobile Glass Services Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") for the nine months and three months ended 30 September 2018, together with the comparative unaudited figures for the corresponding periods in 2017, are as follows:

		Nine months ended 30 September		Three months ended 30 September	
		2018	2017	**2018**	2017
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
	Notes	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Revenue	6	**121,538**	81,911	**46,097**	34,378
Cost of sales		**(66,031)**	(63,857)	**(25,132)**	(24,454)
Gross profit		**55,507**	18,054	**20,965**	9,924
Other gain/(loss), net		**139**	(106)	**25**	(2)
Selling and distribution costs		**(17,266)**	(14,316)	**(5,376)**	(4,594)
Administrative expenses		**(23,079)**	(25,894)	**(8,220)**	(8,526)
		15,301	(22,262)	**7,394**	(3,198)
Finance income		**68**	50	**12**	41
Finance cost		**(258)**	(678)	**(117)**	(578)
Finance cost, net		**(190)**	(628)	**(105)**	(537)
Share of losses of investment accounted for using the equity method		**–**	(20)	**–**	–
Profit/(Loss) before income tax		**15,111**	(22,910)	**7,289**	(3,735)
Income tax expense	8	**(4,344)**	(381)	**(539)**	(169)
Profit/(Loss) for the period		**10,767**	(23,291)	**6,750**	(3,904)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the nine months and three months ended 30 September 2018

	Notes	Nine months ended 30 September 2018 (unaudited) RMB'000	Nine months ended 30 September 2017 (unaudited) RMB'000	Three months ended 30 September 2018 (unaudited) RMB'000	Three months ended 30 September 2017 (unaudited) RMB'000
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Change in fair value of investments in equity instruments designated at fair value through other comprehensive income		**193**	–	**–**	–
Currency translation differences		**(1,868)**	(704)	**(881)**	(344)
Total comprehensive income for the period		**9,092**	(23,995)	**5,869**	(4,248)
Profit/(Loss) attributable to:					
Owners of the Company		**10,047**	(23,180)	**5,866**	(3,799)
Non-controlling interests		**720**	(111)	**884**	(105)
		10,767	(23,291)	**6,750**	(3,904)
Total comprehensive income attributable to:					
Owners of the Company		**8,372**	(23,884)	**4,985**	(4,143)
Non-controlling interests		**720**	(111)	**884**	(105)
		9,092	(23,995)	**5,869**	(4,248)
Earnings/(Loss) per share attributable to owners of the Company for the period (expressed in RMB cents per share)					
Basic		**1.31**	(3.48)	**0.76**	(0.56)
Diluted	10	**1.30**	(3.48)	**0.76**	(0.56)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2017

	Attributable to owners of the Company											
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	PRC statutory reserve RMB'000	Convertible bonds equity reserve RMB'000	Shares held for share award scheme RMB'000	Employee share-based payment reserve RMB'000	Exchange reserve RMB'000	Accumulated losses RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2017 (Audited)	5,263	258,103	(47,484)	4,626	22,169	(10,975)	8,411	2,747	(115,964)	126,896	3,262	130,158
Comprehensive income												
Loss for the period	–	–	–	–	–	–	–	–	(23,180)	(23,180)	(111)	(23,291)
Other comprehensive income												
Currency translation differences	–	–	–	–	–	–	–	(704)	–	(704)	–	(704)
Total comprehensive income	–	–	–	–	–	–	–	(704)	(23,180)	(23,884)	(111)	(23,995)
Transactions with owners of the Company recognised directly in equity												
Issuance of new shares, net of transaction cost	994	41,749	–	–	–	–	–	–	–	42,743	–	42,743
Equity-settled share-based payment expenses	–	–	–	–	–	–	6,144	–	–	6,144	–	6,144
Partial disposal of a subsidiary	–	–	–	(221)	–	–	–	–	221	–	(1,716)	(1,716)
Appropriation to PRC statutory reserve	–	–	–	426	–	–	–	–	(426)	–	–	–
Balance at 30 September 2017 (Unaudited)	6,257	299,852	(47,484)	4,831	22,169	(10,975)	14,555	2,043	(139,349)	151,899	1,435	153,334

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the nine months ended 30 September 2018

	Attributable to owners of the Company											
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	PRC statutory reserve RMB'000	Shares held for share award scheme RMB'000	Employee share-based payment reserve RMB'000	Exchange reserve RMB'000	Fair value reserve RMB'000	Accumulated losses RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2018 (Audited)	**6,257**	**311,715**	**(47,484)**	**7,117**	**(9,968)**	**5,493**	**2,361**	**–**	**(81,550)**	**193,941**	**1,244**	**195,185**
Comprehensive income												
Profit for the period	–	–	–	–	–	–	–	–	10,047	10,047	720	10,767
Other comprehensive income												
Change in fair value of investments in equity instruments designated at fair value through other comprehensive income	–	–	–	–	–	–	–	193	–	193	–	193
Currency translation difference	–	–	–	–	–	–	(1,868)	–	–	(1,868)	–	(1,868)
Total comprehensive income	–	–	–	–	–	–	(1,868)	193	10,047	8,372	720	9,092
Transactions with equity owners of the Company recognised directly in equity												
Issuance of new shares, net of transaction cost	115	4,149	–	–	–	–	–	–	–	4,264	–	4,264
Equity-settled share-based payment expenses	–	–	–	–	–	(2,550)	–	–	–	(2,550)	–	(2,550)
Vesting of award shares	–	–	–	–	1,823	(2,943)	–	–	1,120	–	–	–
Disposal of a subsidiary	–	–	–	(212)	–	–	–	–	212	–	–	–
Appropriation to PRC statutory reserve	–	–	–	1,958	–	–	–	–	(1,958)	–	–	–
Balance at 30 September 2018 (Unaudited)	**6,372**	**315,864**	**(47,484)**	**8,863**	**(8,145)**	**–**	**493**	**193**	**(72,129)**	**204,027**	**1,964**	**205,991**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE INFORMATION

ZMFY Automobile Glass Services Limited (the "**Company**") is a limited liability company incorporated in the Cayman Islands and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The principal activities of its subsidiaries (together with the Company referred to as the "**Group**") are sales of automobile glass with installation/repair services, trading of automobile glass, installation services of photovoltaic system, business consultancy services and finance leasing business in the People's Republic of China (the "**PRC**").

The condensed consolidated financial information are unaudited but have been reviewed by the audit committee of the Company (the "**Audit Committee**").

2. BASIS OF PREPARATION

The condensed consolidated financial information have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations (hereinafter collectively referred to as the "**HKFRSs**") and have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value, as appropriate. They are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of condensed consolidated financial information in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the condensed consolidated financial information are applied consistently with those applied in the Group's audited consolidated financial statements for the year ended 31 December 2017 except for those that relate to new standards or interpretations effective for the first time for period beginning on or after 1 January, 2018.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Application of new and amendments to HKFRSs

In the current period, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants which are mandatory effective for the annual period beginning on 1 January 2018 for the preparation of the Group's condensed consolidated financial information:

Annual Improvements to HKFRSs 2014–2016 Cycle	Amendments to HKFRS Clarification of the Scope of the Standard
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except for the effects of the application of HKFRS 9, the application of other new and amendments to HKFRSs in the current period has had no material effect on the Group's financial performance and positions for the current and prior periods and/or disclosures set out in these condensed consolidated financial information.

4. SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY

For effects of the application of HKFRS 9, as at 1 January 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9.

	Available-for-sales ("AFS") financial assets RMB'000	Investments in equity instruments designated at fair value through other comprehensive income ("FVTOCI") RMB'000
Closing balance at 31 December 2017 — HKAS 39	40,499	–
Effect arising from initial application of HKFRS 9:		
Reclassification		
From AFS	(40,499)	40,499
Opening balance at 1 January 2018	–	40,499
The movement during the period:		
Adjusted balance at 1 January 2018	–	40,499
Other comprehensive income during the period	–	193
At 30 September 2018	–	40,692

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

4. SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

HKFRS 9

HKFRS 9 Financial Instruments replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. The standard introduces new requirements for classification, measurement and impairment. The Group had adopted HKFRS 9 from 1 January 2018. The Group did not restate comparative information and recognised any material transition adjustments against the opening balance of equity at 1 January 2018. The impacts relate to the classification, measurement and the impairment requirements are summarised as follows:

(a) Classification and measurement

Under HKFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (the "**FVTPL**"), amortised cost, or FVTOCI. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instrument's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding (the "**SPPI**" criterion).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

4. SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

HKFRS 9 (Continued)

(a) Classification and measurement (Continued)

The new classification and measurement of the Group's financial assets are as follows:

– *Debt instruments at amortised cost* that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade receivables and financial assets included in prepayments, deposits and other receivables.

– *Equity instruments at FVTOCI*, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its unquoted equity instruments as equity instruments at FVTOCI. Equity instruments at FVTOCI are not subject to an impairment assessment under HKFRS 9. Under HKAS 39, the Group's unquoted equity instruments were classified as available-for-sale investments.

– *Financial assets at FVTPL* include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Under HKAS 39, debt instruments were classified as available-for-sale investments.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

4. SUMMARY OF THE IMPACT OF CHANGES IN ACCOUNTING POLICY (CONTINUED)

HKFRS 9 (Continued)

(b) Impairment

The adoption of HKFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss approach with a forward-looking expected credit loss ("**ECL**") approach. HKFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVTPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

As at 30 September 2018, the Group has applied the simplified approach and recorded lifetime ECLs on trade receivables and general approach and recorded 12-month ECLs on financial assets included in prepayments, deposits and other receivables. The Group determined that there is no significant financial impact arising from these changes.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

5. BASIS OF CONSOLIDATION

The condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the condensed consolidated financial information. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the periods are included in the condensed consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

5. BASIS OF CONSOLIDATION (CONTINUED)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

6. REVENUE

Revenue represents amounts receivable for services performed and goods sold net of discounts, returns and value-added taxes.

	Nine months ended 30 September		**Three months ended 30 September**	
	2018	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	RMB'000	RMB'000	**RMB'000**	RMB'000
Revenue				
Sales of automobile glass with installation/repair services	**66,174**	69,241	**26,513**	26,301
Trading of automobile glass	**7,587**	7,462	**3,066**	2,880
Installation services of Photovoltaic system	**1,067**	144	**699**	133
Business consultancy services	**43,632**	5,064	**14,023**	5,064
Finance leasing services	**3,078**	–	**1,796**	–
Total	**121,538**	81,911	**46,097**	34,378

7. SEGMENT REPORTING

The chief operating decision-maker ("**CODM**") has been identified as the Executive Directors and the Chief Financial Officer collectively. CODM reviews the Group's internal reporting in order to assess performance and allocate resources.

The Group has expanded to the business consultancy services after the acquisition of CAS Valley Company Inc. on 18 September 2017 and engaged in finance leasing services in January 2018. Information reported to CODM for the purpose of resource allocation and assessment of segment performance is now based on the business segments of the Group. No geographical analysis of information is presented to the CODM for such purposes as the Group's major operations and assets were situated in the PRC in which all of its revenue was derived. CODM considered the performance and business prospects of the operations relating to sales of automobile glass with installation/repair services and trading of automobile glass in the PRC in a collective manner, hence these operations constituted the automobile glass operating segment. The photovoltaic system segment mainly represented the provision of installation services of photovoltaic system in the PRC. Business consultancy segment is a new business unit of the Group following the business combination on 18 September 2017 and finance leasing segment is established in January 2018. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has since January 2018 presented four reportable segments – "Automobile glass", "Photovoltaic system", "Business consultancy services" and "Finance leasing services" in its condensed consolidated financial information for the nine months ended 30 September 2018. No operating segments have been aggregated to form a reportable segment for the purpose of segment reporting in the condensed consolidated financial information. With the changes in the structure and composition of the reportable segments, certain comparative figures in the segment information in respect of the nine months and three months ended 30 September 2017 has been re-presented to conform with the current period's presentation accordingly.

Segment assets and liabilities are not regularly reported to the Group's CODM and therefore information of reportable segment assets and liabilities is not presented in the condensed consolidated financial information.

As at 30 September 2018 and 2017, the Group's non-current assets were entirely located in the PRC. There is no external customer contributing 10% or more of the Group's revenue for the nine months ended 30 September 2018.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

7. SEGMENT REPORTING (CONTINUED)

	Automobile glass Nine months ended 30 September		Photovoltaic system Nine months ended 30 September		Business consultancy services Nine months ended 30 September		Finance leasing services Nine months ended 30 September		Reportable segments total Nine months ended 30 September	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	(Unaudited)	(Unaudited) (Re-presented)	**(Unaudited)**	(Unaudited) (Re-presented)	**(Unaudited)**	(Unaudited) (Re-presented)	**(Unaudited)**	(Unaudited) (Re-presented)	**(Unaudited)**	(Unaudited) (Re-presented)
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Revenue										
– Sales of automobile glass with installation/repair services	**66,174**	69,241	**–**	–	**–**	–	**–**	–	**66,174**	69,241
– Trading of automobile glass	**7,936**	9,015	**–**	–	**–**	–	**–**	–	**7,936**	9,015
– Installation services of photovoltaic system	**–**	–	**1,067**	144	**–**	–	**–**	–	**1,067**	144
– Financial advisory services	**–**	–	**–**	–	**21,704**	5,064	**–**	–	**21,704**	5,064
– Capital restructuring advisory services	**–**	–	**–**	–	**13,418**	–	**–**	–	**13,418**	–
– Business consultation services	**–**	–	**–**	–	**8,510**	–	**–**	–	**8,510**	–
– Finance leasing services	**–**	–	**–**	–	**–**	–	**3,078**	–	**3,078**	–
	74,110	78,256	**1,067**	144	**43,632**	5,064	**3,078**	–	**121,887**	83,464
Inter-segment sales	**(349)**	(1,553)	**–**	–	**–**	–	**–**	–	**(349)**	(1,553)
Reportable segment revenue	**73,761**	76,703	**1,067**	144	**43,632**	5,064	**3,078**	–	**121,538**	81,911
Results of reportable segments	**(7,358)**	(12,221)	**(33)**	(1,574)	**23,210**	3,948	**2,059**	–	**17,878**	(9,847)
Depreciation	**1,398**	1,264	**5**	–	**463**	131	**–**	–	**1,866**	1,395
Amortisation	**–**	208	**–**	–	**–**	–	**–**	–	**–**	208
Interest expense	**68**	601	**–**	–	**10**	42	**2**	–	**80**	643
Interest income	**13**	45	**3**	3	**43**	2	**9**	–	**68**	50
Capital expenditure	**415**	861	**–**	–	**158**	–	**–**	–	**573**	861

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

7. SEGMENT REPORTING (CONTINUED)

A reconciliation of results of reportable segments to profit/(loss) for the nine months ended 30 September 2018 and 2017 is as follows:

	Nine months ended 30 September	
	2018	2017
	(Unaudited)	(Unaudited) (Represented)
	RMB'000	RMB'000
Total of results of reportable segments	**17,878**	(9,847)
Share of losses of investment accounted for using equity method	**–**	(20)
Finance cost	**(178)**	(35)
Unallocated expenses	**(2,589)**	(13,008)
Profit/(Loss) before income tax of the Group	**15,111**	(22,910)

8. INCOME TAX EXPENSE

	Nine months ended 30 September		Three months ended 30 September	
	2018	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	RMB'000	RMB'000	**RMB'000**	RMB'000
Current income tax				
– PRC profits tax	**4,176**	99	**483**	40
Deferred tax	**168**	282	**56**	129
Income tax expense	**4,344**	381	**539**	169

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profit arising in Hong Kong for the nine months ended 30 September 2018 (Nine months ended 30 September 2017: Nil). Taxes on profits assessable in the PRC have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof.

All of the PRC subsidiaries Group are subject to the PRC corporate income tax at a rate of 25% for the nine months ended 30 September 2018 (Nine months ended 30 September 2017: 25%), except for Shangshi Kuaiche Enterprise Service (Hengqin) Company Limited ("**Shangshi Kuaiche (Hengqin)**"), which was qualified as an enterprise of Industries Encouraged to Develop (鼓勵類產業企業) in the PRC and hence entitled to 10% tax reduction since 2017 to 2020. For the nine months ended 30 September 2018, Shangshi Kuaiche (Hengqin) enjoyed a reduced corporate income tax of 15% as a result of the above reduction on the statutory tax rate. Shangshi Kuaiche (Hengqin) Beijing branch is qualified as Small Low-Profit Enterprise (小型微利企業) in the PRC and hence entitled to 50% reduction on the assessable profits followed by 20% corporate income tax rate since 2017 to 2019.

The Group is not subject to any taxation under the jurisdiction of the Cayman Islands and British Virgin Island during the nine months ended 30 September 2018 (Nine months ended 30 September 2017: Nil).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

9. DIVIDENDS

The Directors did not recommend the payment of any dividend for the nine months ended 30 September 2018 (Nine months ended 30 September 2017: Nil).

10. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share attributable to owners of the Company are based on the following data:

	Nine months ended 30 September		**Three months ended 30 September**	
	2018	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	RMB'000	RMB'000	**RMB'000**	RMB'000
Profit/(Loss) attributable to owners of the Company for the purpose of basic and diluted earnings/(loss) per share	**10,047**	(23,180)	**5,866**	(3,799)

	Number of shares Nine months ended 30 September		**Number of shares Three months ended 30 September**	
	2018	2017	**2018**	2017
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	'000	'000	**'000**	'000
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**768,886**	666,631	**771,180**	677,709
Effect of dilutive potential ordinary shares in respect of shares award	**6,609**	–	**–**	–
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	**775,495**	666,631	**771,180**	677,709

NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

10. EARNINGS/(LOSS) PER SHARE (CONTINUED)

For the nine months ended 30 September 2018, diluted earnings per share is based on the profit for the period attributable to owners of the Company of approximately RMB10,047,000 and on the adjusted weighted average number of 775,495,000 ordinary shares outstanding during the nine months period, being the weighted average of number of ordinary shares of 768,886,000 used in basic earnings per share calculation and adjusted for the effects of deemed vesting of shares award of 6,609,000 existing during the period.

Diluted loss per share for the nine months ended 30 September 2017 is the same as the basic loss per share as the utilisation of the unvested shares in relation to the share award scheme and the conversion of potential dilutive ordinary shares in relation to convertible bonds would have an anti-dilutive effect to the basic loss per share.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the sales of automobile glass with installation/repair services and trading of automobile glass in the PRC. The Group has further expanded its business to the provision of business consultancy services after acquiring CAS Valley Company Inc. on 18 September 2017. For the nine months ended 30 September 2018 (the "**Period**"), CAS Valley Company Inc. and its subsidiaries (collectively referred as "**CAS Group**") contributed an income of approximately RMB43,632,000 to the Group, representing approximately 35.9% of the Group's total revenue of the Period.

On 5 January 2018, the Group established a new subsidiary company known as ZM Financial Leasing (Tianjin) Company Limited ("**ZM Leasing**") in the PRC. ZM Leasing is principally engaged in the provision of finance leasing services in the PRC and generated a total revenue of approximately RMB3,078,000 during the Period.

Apart from the provision of business consultancy services and finance leasing services, the Group has continuously engaged in sales of automobile glass with installation/repair services and trading of automobile glass. Revenue from sales of automobile glass with installation/repair services and trading of automobile glass have been the major sources of revenue of the Group, representing approximately 60.7% of the Group's total revenue for the Period (Nine months ended 30 September 2017: 93.6%), whilst at the same time it continues to be a significant contributor to the losses to the Group.

Revenue

Sales of Automobile Glass with Installation/Repair Services and Trading of Automobile Glass

Revenue from sales of automobile glass with installation/repair services and trading of automobile glass decreased by approximately RMB2,942,000 or 3.8% from approximately RMB76,703,000 for the nine months ended 30 September 2017 to approximately RMB73,761,000 for the Period. The decrease was mainly due to the continuous decline in the demand of automobile glass in the PRC and the intensified competition in the automobile market in Beijing.

Gross profit from sales of automobile glass with installation/repair services and trading of automobile glass for the Period amounted to approximately RMB15,006,000 (nine months ended 30 September 2017: RMB14,225,000), representing an increase of approximately 5.5% as compared to the nine months ended 30 September 2017. Gross profit margin had slightly increased from approximately 18.5% for the corresponding period in 2017 to approximately 20.3% for the Period.

Provision of Installation Services of Photovoltaic System

The provision of installation services of photovoltaic system by the Group is mostly conducted in an one-off or ad-hoc nature. Accordingly, it does not provide a predictable and stable revenue stream to the Group, and therefore, is considered as a supplementary income source of the Group. During the Period, revenue from the provision of installation services of photovoltaic system by the Group amounted to approximately RMB1,067,000 while revenue of approximately RMB144,000 was recorded for the corresponding period in 2017.

Business Consultancy Services

On 18 September 2017, the Company issued 118,250,000 new shares in a price of HK$0.55 per share, which amounted to a total consideration of approximately RMB54.75 million, to purchase the entire issued share capital of CAS Group. The CAS Group was engaged in the provision of advisory, investment consulting and management consulting services to enterprises in the PRC. After acquiring the CAS Group, the Group has expanded its business to the provision of business consultancy services. For the Period, revenue and results of reportable segment generated from the provision of business consultancy services were approximately RMB43,632,000 and RMB23,210,000 respectively. During the nine months ended 30 September 2017, revenue and results of reportable segment generated were approximately RMB5,064,000 and RMB3,948,000 respectively.

Selling and Distribution Costs

Selling and distribution costs of the Group increased by approximately 20.6% from approximately RMB14,316,000 for the nine months ended 30 September 2017 to approximately RMB17,266,000 for Period. The increase was mainly due to the increase in staff costs of approximately RMB2,398,000 during the Period.

Administrative Expenses

The Group's administrative expenses mainly consist of professional fees, staff costs (including directors' remunerations and share-based payment expenses), depreciation and rental expenses. The total administrative expenses decreased by approximately 10.9% from approximately RMB25,894,000 for the nine months ended 30 September 2017 to approximately RMB23,079,000 for the Period. The decrease was mainly due to the reduction of equity-settled share-based payments expenses as a result of the resignation of certain eligible employees under the share award scheme adopted by the Company.

Finance Income/(Cost), Net

During the Period, the decrease in finance cost compared with the corresponding period in 2017, was a result of the decrease in average loan balance during the Period on automobile glass business segment.

Income Tax Expense

Income tax expense increased from approximately RMB381,000 for the nine months ended 30 September 2017 to approximately RMB4,344,000 for the Period. The rise in income tax expense was mainly attributable to the increase in taxable income from the provision of business consultancy services by the Group during the Period.

Profit for the Period

The Group recorded a net profit of approximately RMB10,767,000 for the Period, as compared with the net loss of approximately RMB23,291,000 for the nine months ended 30 September 2017. The increase in net profit for the Period was mainly attributable to the acquisition of CAS Group on 18 September 2017 and whose financial performance has been consolidated in the consolidated financial performance of the Group since then.

Loan from a Shareholder

On 15 March 2018, the Company entered into a loan agreement (the "**Loan Agreement**") with Rise Grace Development Limited ("**Rise Grace**"), pursuant to which Rise Grace agreed to provide to the Company an unsecured term loan facility in an amount of HK$30,000,000 with an interest rate of 2% per annum and repayable on 31 December 2019. As Rise Grace is a substantial shareholder of the Company and therefore a connected person under the GEM Listing Rules, the entering into of the Loan Agreement constituted a connected transaction of the Company. As the Loan Agreement was on normal commercial terms and was not secured by any assets of the Group, it is a fully-exempted connected transaction of the Company under Rule 20.88 of the GEM Listing Rules. As at 30 September 2018, such facility has been drawn up to approximately HK$21,000,000. For further details in relation to the Loan Agreement, please refer to the Company's announcement dated 15 March 2018.

Charges on the Group's assets

As at 30 September 2018, the Group did not have any material charge on its assets (31 December 2017: Nil).

Contingent Liabilities

On 24 December 2014, Xinyi Automobile Glass (BVI) Company Limited ("**Xinyi Glass (BVI)**"), a shareholder of the Company issued an originating summons (the "**Originating Summons**") and instituted a legal proceeding (the "**Legal Proceeding**") in the Court of First Instance of the Hong Kong Special Administrative Region against the Company and other parties which include but not limited to the vendor to the Daqing Acquisition (as defined below), the former executive Directors, the former non-executive Directors and former independent non-executive Directors (the "**Defendants**"), with respect to the acquisition of a property in Daqing (the "**Daqing Acquisition**"). For details of the Legal Proceeding, please refer to the annual report of the Company for the year ended 31 December 2017.

Pursuant to the Originating Summons, Xinyi Glass (BVI) contended that the terms of the sale and purchase agreement dated 19 October 2014 (the "**Daqing Acquisition Agreement**") entered by the Group might not serve the best interests of the Company and the shareholders of the Company as a whole and it doubted on the legality surrounding the Daqing Acquisition. Accordingly, Xinyi Glass (BVI) sought the following orders:

(i) the Daqing Acquisition Agreement to be declared void or, in the alternative, voidable;

(ii) the convertible bonds of the Company issued to satisfy the consideration of the Daqing Acquisition, the conversion shares already allotted and issued to the vendor of the Daqing property as at the date of the Originating Summons be declared void or, in the alternative, voidable;

(iii) in the event that the Daqing Acquisition Agreement and the convertible bonds are declared voidable, the Company and the vendor be compelled to terminate and/or rescind the same; and

(iv) in the alternative, damages from the former executive, non-executive and independent non-executive Directors.

Contingent Liabilities (Continued)

The Legal Proceeding is still ongoing but no step has been taken by Xinyi Glass (BVI) to prosecute the same against the Defendants since 12 November 2015. Management of the Company had consulted legal advisors in both the PRC and Hong Kong in response to the Originating Summons. The Directors have thoroughly revisited the situations based on the advices of the PRC and Hong Kong legal advisors, and consider that order (i) to (iii) above are unattainable and order (iv), even if granted by the court, will not have any impact on the Company nor the Group. Accordingly, the Directors consider that the pending Legal Proceeding will not have material adverse impact to the condensed consolidated financial statements as at 30 September 2018.

Save as disclosed above, as at 30 September 2018, the Group did not have any other significant contingent liabilities (30 September 2017: Nil).

Foreign Exchange Risk

The Group mainly operates in the PRC with most of the transactions settled in Renminbi. Part of the Group's cash and bank deposits are denominated in Hong Kong Dollars. During the Period, the Group did not hedge any exposure in foreign currency risk.

Material Acquisition and Disposal

The Group did not have any major acquisition and disposal during the Period.

PROSPECTS

On 11 June 2018, ZM Asset Management Limited ("**ZM Asset**"), a wholly-owned subsidiary of the Company has obtained the approval from the Securities and Futures Commission ("**SFC**") to carry out Type 9 (Asset Management) and Type 4 (Advising on Securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). ZM Asset was incorporated in Hong Kong in October 2017 to engage in the provision of corporate finance advisory service and asset management.

The Board considers that the provision of corporate finance advisory services and asset management services can enhance the Group's profitability and long-term growth potential. The Board believes that obtaining approval from the SFC to carry out Type 9 (Asset Management) and Type 4 (Advising on Securities) regulated activities constitute an important step of the Group towards the diversification of its business to the securities advisory and asset management sector.

CORPORATE GOVERNANCE

Code provision A.2.1 of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the "**CG Code**") stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As at the date of this report, Mr. Xia Xiufeng ("**Mr. Xia**") serves as the chairman of the Board and the chief executive officer of the Company. During the period from 1 January 2018 to 23 March 2018, Mr. Xia was the Chairman and non-executive Director of the Group. Following the resignation of Ms. Xia Lu as an executive Director and chief executive officer of the Group on 23 March 2018, Mr. Xia was re-designated as an executive Director and chief executive officer of the Group on the same date. Given the fact that Mr. Xia joined the Group since July 2015, all the other Directors believe that the vesting of the roles of both chairman and chief executive officer on Mr. Xia is beneficial to the business operations and management of our Group and will provide a strong and consistent leadership to our Group.

Mr. Xia provides leadership to the Company and is responsible for strategic planning and the overall management and supervision of operations of our Group. Save for the deviation from code provision A.2.1 as mentioned above, the Board is satisfied that the Company had complied with all the code provisions of the CG Code during the Period.

Competing Interests

For the Period, the Directors were not aware of any business or interest of each of the Directors, or the controlling shareholders of the Company and their respective close associates (as defined under the GEM Listing Rules) that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have within the Group.

Purchase, Sale or Redemption of the Company's Listed Securities

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

Event after the Period

As disclosed in the interim report of the Company dated 8 August 2018, the share award scheme (the "**Share Award Scheme**") adopted by the Group on 20 October 2015 was terminated with effect from 6 June 2018. In October 2018, all remaining award shares were disposed of by the trustee of the Share Award Scheme to independent third parties of the Company. Accordingly, as at the date of this report, there is no outstanding award shares.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company Or Any Associated Corporations

As at 30 September 2018, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange, pursuant to the required standard of dealings by directors of listed issuer as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

*Long positions in the ordinary shares of the Company (the "**Shares**") and underlying shares of the Company*

Name of Director	Nature of interest	Number of Shares and underlying shares held	Approximate percentage of Shareholding (%)
			(Note 4)
Mr. Xia	Beneficial interest	1,000,000 (Note 1)	0.13%
	Interest in a controlled corporation	216,000,000 (Note 1)	27.23%
Lo Chun Yim	Interest in controlled corporations	135,562,500 (Note 2)	17.10%
Lu Yongmin	Interest in a controlled corporation	48,281,475 (Note 3)	6.09%

Notes:

(1) Mr. Xia was beneficially holding 1,000,000 Shares of the Company and indirectly holding 216,000,000 shares of the Company through Lu Yu Global Limited ("**Lu Yu**"). Lu Yu, a company incorporated in the British Virgin Islands (the "**BVI**") on 21 April 2011 and an investment holding company, was wholly and beneficially owned by Mr. Xia. Mr. Xia was therefore deemed to be interested in the 216,000,000 Shares held by Lu Yu by virtue of the SFO.

(2) The 135,562,500 Shares represent 106,000,000 Shares held by Rise Grace and 29,562,500 Shares held by Urban Emotions Ltd ("**Urban**"). Rise Grace is a company incorporated in Hong Kong on 5 November 2009 and an investment holding company. Rise Grace was wholly and beneficially owned by Diamond Galaxy Limited, which was in turn wholly and beneficially owned by Mr. Lo Chun Yim ("**Mr. Lo**"), an executive Director of the Company. On the other hand, Urban was a company incorporated in the BVI with limited liability which was directly wholly-owned by Mr. Lo. Accordingly, Mr. Lo was deemed to be interested in all the Shares in which Rise Grace and Urban were interested by virtue of the SFO. On 7 August 2018, Rise Grace pledged 106,000,000 Shares to Dongxing Securities (Hong Kong) Financial Holdings Limited.

(3) These Shares were held by YinHe Holding Limited ("**YinHe**"), a company incorporated in the BVI and an investing holding company, was wholly owned by Mr. Lu Yongmin, an executive Director of the Company. Mr. Lu Yongmin was deemed to be interested in all the Shares held by YinHe by virtue of the SFO.

(4) The approximate percentage of shareholding is calculated based on the total number of issued shares of the Company as at 30 September 2018.

Save as disclosed above, as at 30 September 2018, none of the Directors and chief executives of the Company has any other interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares and Underlying Shares of the Company

As at 30 September 2018, the interests and short positions of substantial shareholders and other persons (not being a Director or chief executive of the Company) in the Shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long positions in the shares and underlying shares of the Company

Name of shareholder	Nature of interest	Number of Shares and underlying Shares held	Approximate percentage of shareholding (%)
			(Note 9)
Lu Yu (Note 1)	Beneficial owner	216,000,000	27.23%
Mr. Lo Chun Yim (Note 2 and 3)	Interest in controlled corporations	135,562,500	17.10%
Rise Grace (Note 2)	Beneficial owner	106,000,000	13.36%
Diamond Galaxy Limited (Note 2)	Interest in a controlled corporation	106,000,000	13.36%
Xinyi Automobile Glass (BVI) Company Limited ("**Xinyi Glass (BVI)**") (Note 4)	Beneficial owner	120,360,000	15.17%
Xinyi Glass Holdings Limited ("**Xinyi Glass Holdings**") (Note 4)	Interest in a controlled corporation	120,360,000	15.17%
YinHe (Note 5)	Beneficial owner	48,281,475	6.09%
Mr. Lu Yongmin (Note 5)	Interest in a controlled corporation	48,281,475	6.09%
Ms. Lu Hong (Note 6)	Interest of spouse	48,281,475	6.09%
Ms. Hong Man Chu (Note 7)	Interest of spouse	135,562,500	17.10%
Dongxing Securities (Hong Kong) Financial Holdings Limited (Note 8)	Security Interest	106,000,000	13.36%
Dongxing Securities Co., Ltd (Note 8)	Interest in a controlled corporation	106,000,000	13.36%

Notes:

(1) Lu Yu, a company incorporated in the BVI on 21 April 2011 and an investment holding company, was wholly and beneficially owned by Mr. Xia. Mr. Xia was deemed to be interested in the 216,000,000 Shares held by Lu Yu by virtue of the SFO.

(2) These Shares were held by Rise Grace, a direct wholly-owned subsidiary of Diamond Galaxy Limited, which was in turn wholly-owned by Mr. Lo. Therefore, each of Mr. Lo and Diamond Galaxy Limited was deemed to be interested in all the Shares in which Rise Grace was interested by virtue of the SFO.

(3) Urban, a company incorporated in BVI with limited liability which was directly wholly-owned by Mr. Lo. Therefore, Mr. Lo was deemed to be interested in the 29,562,500 Shares held by Urban by virtue of the SFO.

(4) Xinyi Glass (BVI), a company incorporated in the BVI on 13 June 2012 and an investment holding company, was wholly and beneficially owned by Xinyi Glass Holdings. Therefore, Xinyi Glass Holdings was deemed to be interested in all the Shares in which Xinyi Glass (BVI) was interested by virtue of the SFO.

(5) YinHe, a company incorporated in the BVI and an investing holding company, was wholly and beneficially owned by Mr. Lu Yongmin. Mr. Lu Yongmin was deemed to be interested in the 48,281,475 Shares held by YinHe by virtue of the SFO.

(6) Ms. Lu Hong is the spouse of Mr. Lu Yongmin and she was therefore deemed to be interested in the Shares in which Mr. Lu Yongmin was interested by virtue of the SFO.

(7) Ms. Hong Man Chu is the spouse of Mr. Lo and she was therefore deemed to be interested in the Shares in which Mr. Lo is interested by virtue of the SFO.

(8) Dongxing Securities (Hong Kong) Financial Holdings Limited, a company incorporated in Hong Kong on 17 July 2015, was wholly and beneficially owned by Dongxing Securities Co., Ltd. On 7 August 2018, Rise Grace pledge 106,000,000 Shares to Dongxing Securities (Hong Kong) Financial Holdings Limited. Therefore, Dongxing Securities Co., Ltd was deemed to be interested in all the Shares in which Dongxing Securities (Hong Kong) Financial Holdings Limited was interested by virtue of the SFO.

(9) The approximate percentage of shareholding is calculated based on the total number of issued Shares of the Company as at 30 September 2018.

Save as disclosed above, as at 30 September 2018, the Directors were not aware of any other persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to section 336 of the SFO.

Model Code for Directors' Securities Transactions

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry with all the Directors, all the Directors confirmed that they have complied with the code of conduct and required standard of dealings concerning securities transactions by Directors throughout the Period.

Audit Committee

The Audit Committee was established with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the CG Code. The primary duties of the Audit Committee are mainly to review the accounting policy, financial position and financial reporting procedures of the Group; to communicate with external audit firms; to assess the performance of internal financial and audit personnel; and to assess the internal control and review the risk management systems of the Group. The Audit Committee has four members comprising Mr. Jiang Bin (Chairman), Mr. Guo Mingang, Mr. Luo Wenzhi and Mr. Liu Mingyong. The Audit Committee has reviewed the unaudited condensed consolidated financial information of the Group for the nine months ended 30 September 2018 and was of the opinion that preparation of such results complied with the applicable accounting standard.

By order of the Board
ZMFY Automobile Glass Services Limited
Xia Xiufeng
Executive Director

Hong Kong, 8 November 2018

As at the date of this report, the executive Directors are Mr. Xia Xiufeng (Chairman and Chief Executive Officer), Mr. Lo Chun Yim and Mr. Lu Yongmin; the non-executive Director is Mr. Liu Mingyong; and the independent non-executive Directors are Mr. Jiang Bin, Mr. Guo Mingang and Mr. Luo Wenzhi.