XINYI AUTOMOBILE GLASS HONG KONG ENTERPRISES LIMITED
信義汽車玻璃香港企業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 08328)

PROFIT WARNING
FOR THE SIX MONTHS ENDED 30 JUNE 2020

This announcement is made by the board (the "**Board**") of directors (the "**Directors**") of Xinyi Automobile Glass Hong Kong Enterprises Limited (the "**Company**" which together with its subsidiaries, the "**Group**") pursuant to Rule 17.10(2) of The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and the inside information provisions (the "**Inside Information Provisions**") under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Based on a preliminary review of the currently available information which includes, but without limitation to, the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020, the Board wishes to inform the shareholders of the Company (the "**Shareholders**") and prospective investors of the Company that the amount of the consolidated net profit attributable to owners of the Company for the six months ended 30 June 2020 is expected to decrease by 35% to 45%, as compared with the net profit of HK$8.5 million for the six months ended 30 June 2019. The decrease is attributable to the following principal reasons:

(a) the decrease in gross profit attributable to our battery packs, energy storage systems and lithium battery products businesses due to the change in product mix as a result of the decrease in demand of our energy storage systems which have relatively higher gross profit margin than other products, partially offset by the increase in demand of our other products;

(b) the decrease in revenue and corresponding gross profit attributable to our automobile glass repair and replacement services due to the decrease in demand of our services as a result of the outbreak of the COVID-19;

(c) the depreciation of Renminbi during the six months ended 30 June 2020; and

(d) the increase in administrative expenses mainly due to the increase in research and development cost incurred for the development and improvement of our products.

The Board expects that the announcement of the results of the Group for the six months ended 30 June 2020 would be published before 15 August 2020 in compliance with the requirements under the GEM Listing Rules. As the Company is still in the process of finalising the unaudited consolidated results of the Group for the six months ended 30 June 2020, the information in this announcement is solely based on the preliminary assessment made by the Board with reference to the information currently available to the Board. There may be changes or adjustments following further review of the unaudited consolidated management accounts by the Board. The information in this announcement has not been reviewed by the auditors of the Company or the audit committee of the Board.

Shareholders and prospective investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Xinyi Automobile Glass Hong Kong Enterprises Limited
Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M*
Chairman

Hong Kong, 17 July 2020

As of the date of this announcement, the Board comprises two executive Directors, namely, Mr. NG Ngan Ho and Ms. LI Pik Yung, two non-executive Directors, namely, Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M (Chairman of the Board) and Mr. LEE Shing Kan, and three independent non-executive Directors, namely, Mr. WANG Guisheng, Mr. NG Wai Hung and Mr. CHAN Hak Kan, B.B.S, JP.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with 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 announcement 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 announcement misleading.