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XINYI ELECTRIC STORAGE HOLDINGS LIMITED

信義儲電控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 08328)

POSITIVE PROFIT ALERT FOR THE YEAR ENDED 31 DECEMBER 2021

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Xinyi Electric Storage Holdings 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).

Following preliminary review of the currently available information which includes, but without limitation to, the unaudited consolidated management accounts of the Group for the year ended 31 December 2021, the Board wishes to inform the shareholders (the “**Shareholders**”) of the Company and the prospective investors of the Company that the amount of the consolidated net profit attributable to owners of the Company (the “**Net Profit**”) for the year ended 31 December 2021 is expected to increase significantly by 200% to 230% to the range between HK\$59.8 million and HK\$65.7 million, as compared to the Net Profit of HK\$19.9 million for the year ended 31 December 2020. Such significant improvement is principally due to the increase in sales revenue and gross profit attributable to the engineering, procurement and construction services business. During the year ended 31 December 2021, the Group also received non-recurring income in relation to its production factories and office premises.

The Company is finalising the consolidated final results of the Group for the year ended 31 December 2021. Hence, the information disclosed in this announcement only represents a preliminary assessment by the Board and the management of the Group based on the information currently available to the Board which includes, but without limitation to, the unaudited consolidated management accounts of the Group

for the year ended 31 December 2021. The audited consolidated final results of the Group may be subject to adjustments following further review 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.

The Board expects that the announcement of the audited consolidated final results of the Group for the year ended 31 December 2021 will be published by the early of March 2022 in compliance with the requirements under the GEM Listing Rules.

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 Electric Storage Holdings Limited
Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M, J.P.
Chairman

Hong Kong, 14 February 2022

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

This announcement, for which the Directors 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.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and be posted on the website of the Company at www.xyglass.com.hk.