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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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 announcement, for which the directors (the "**Directors**") of Xinyi Electric Storage Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with The Rules Governing the Listing of Securities on 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 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.*

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2021	2020	Change
	HK$'000	*HK$'000*	
Revenue	**506,187**	218,134	+132.1%
Profit attributable to owners of the Company	**62,629**	19,921	+214.4%
Earnings per share - Basic	**9.49 HK cents**	3.03 HK cents*	+213.2%

* Basic earnings per share for the year ended 31 December 2020 has been restated to take into account of the effects of the rights issue of the Company completed in December 2021.

The board (the "**Board**") of Directors is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2021, together with the comparative figures for the year ended 31 December 2020, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	**2021**	2020
		HK$'000	*HK$'000*
Revenue	3	**506,187**	218,134
Cost of revenue		**(380,048)**	(167,417)
Gross profit		**126,139**	50,717
Other income	4	**35,986**	5,480
Other gains, net	4	**813**	1,368
Impairment loss on financial assets		**(3,871)**	(416)
Selling and marketing costs		**(11,908)**	(5,295)
Administrative expenses		**(61,995)**	(32,032)
Share of results of an associate		**(4)**	—
Operating profit		**85,160**	19,822
Finance income	6	**1,795**	4,385
Finance costs	6	**—**	—
Profit before income tax	5	**86,955**	24,207
Income tax expense	7	**(20,634)**	(4,122)
Profit for the year		**66,321**	20,085
Other comprehensive income:			
Item that may be subsequently reclassified to profit or loss			
Exchange differences on translation of financial statements of operations		**11,785**	25,099
Item that will not be subsequently reclassified to profit or loss			
Change in fair value of a financial asset at fair value through other comprehensive income, net of tax		**5,948**	1,074
		17,733	26,173
Total comprehensive income for the year		**84,054**	46,258
Profit for the year attributable to:			
– owners of the Company		**62,629**	19,921
– non-controlling interests		**3,692**	164
		66,321	20,085
Total comprehensive income for the year attributable to:			
– owners of the Company		**80,421**	46,089
– non-controlling interests		**3,633**	169
		84,054	46,258
		HK Cents	*HK Cents (Restated)*
Earnings per share attributable to owners of the Company for the year			
– Basic	8	**9.49**	3.03
– Diluted	8	**9.40**	3.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Notes	**2021** **HK$'000**	2020 *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**370,545**	203,147
Intangible assets		**11,716**	2,551
Financial asset at fair value through other comprehensive income		**23,244**	15,712
Interests in an associate		**308**	—
Trade receivables	10	**7,456**	11,763
Finance lease receivables	10	**53,763**	—
Prepayments for property, plant and equipment	10	**8,308**	18,613
		475,340	251,786
Current assets			
Inventories		**180,017**	34,917
Contract assets, trade and other receivables and prepayments	10	**352,032**	115,322
Income tax recoverable		**474**	604
Pledged bank deposits		**7,054**	—
Cash and cash equivalents		**433,154**	152,930
		972,731	303,773
Current liabilities			
Contract liabilities, trade and other payables	11	**414,658**	87,799
Provision for tax		**18,760**	7,318
Lease liabilities		**5,564**	6,115
Bank borrowings	12	**105,000**	8,000
		543,982	109,232
Net current assets		**428,749**	194,541
Total assets less current liabilities		**904,089**	446,327
Non-current liabilities			
Lease liabilities		**3,139**	3,775
Bank borrowings	12	**122,343**	—
Deferred tax liabilities		**9,273**	73
		134,755	3,848
Net assets		**769,334**	442,479
EQUITY			
Share capital		**7,133**	6,482
Reserves		**746,833**	435,826
		753,966	442,308
Non-controlling interests		**15,368**	171
Total equity		**769,334**	442,479

NOTES:

1. General information

The Company was incorporated in the Cayman Islands on 18 November 2015 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in the automobile glass repair and replacement business in Hong Kong and the production and sales of electric storage products as well as provision of the related contract processing services in the People's Republic of China (the "**PRC**"). In addition, the Group is also engaged in the provision of engineering, procurement and construction services (the "**EPC Services**") for solar energy projects.

The shares of the Company have been listed on GEM of the Stock Exchange since 11 July 2016.

These consolidated financial statements are presented in thousands of Hong Kong dollars ("**HK$'000**") unless otherwise stated. These consolidated financial statements have been approved and authorised for issue by the Board on 2 March 2022.

2. Adoption of Hong Kong Financial Reporting Standards ("HKFRSs")

2.1 Adoption of new or revised HKFRSs – effective 1 January 2021

In the current year, the Group has applied for the first time the following new or revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2021:

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The adoption of the above new standards, amendments to standards and interpretation that are effective from 1 January 2021 does not have any significant impact to the results and financial position of the Group.

2.2 New or revised HKFRSs that have been issued but are not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Annual Improvements to HKFRSs 2018–2020	Annual improvement project[1]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to HKAS 8	Definition of Accounting Estimates[2]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[1]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[1]
Amendments to HKFRS 3	Reference to the Conceptual Framework[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 17	Insurance Contracts[2]

1 Effective for annual periods beginning on or after 1 January 2022.

2 Effective for annual periods beginning on or after 1 January 2023.

3 The amendments should be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

4 Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

The Directors anticipate that the application of these new or amended HKFRSs will have no material impact on the Group's consolidated financial performance and positions and/or the disclosures to the consolidated financial statements of the Group.

3. Segment information

Management has determined the operating segments based on the reports reviewed by the executive Directors that are used to make strategic decision.

The executive Directors determine the reportable segments from service/product perspective. The executive Directors identified four operating segments, which represent the Group's reportable segments, respectively, including (1) electric storage business; (2) EPC Services; (3) automobile glass repair and replacement services; and (4) other segments.

Electric storage business	:	The Group is engaged in the manufacturing business of lithium battery products and the development, processing and sale of battery pack and energy storage system facilities with lithium batteries, like large-scale power banks for manufacturing facilities to facilitate load shifting and power stabilisation, uninterruptible power supply ("**UPS**") and power banks for households in the PRC. The Group is also engaged in the provision of contract processing services to customers in the PRC.
EPC Services	:	The Group is engaged in the provision of EPC Services for photovoltaic power stations in the PRC and Canada.
Automobile glass repair and replacement services	:	The Group operates four service centres and a motorcade service team for the automobile glass repair and replacement services in Hong Kong.
Others	:	(a) Trading of forklift – The Group is engaged in trading of forklift business in the PRC. (b) Wind farm related business – The Group has an equity investment in a wind farm project and has provided management services for the wind-farm operations and engaged in investment and development in wind farm projects in the PRC.

The executive Directors assess the performance of the operating segments based on a measure of gross profit. Set out below is a summary list of performance indicators reviewed by the executive Directors on a regular basis:

(a) Segment results

	Year ended 31 December 2021				
	Electric storage business	**EPC Services**	**Automobile glass repair and replacement services**	**Others**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Revenue from external customers	**101,089**	**309,688**	**42,713**	**52,697**	**506,187**
Timing of revenue recognition within the scope of HKFRS 15					
– At a point in time	**101,089**	**16,626**	**42,713**	**43,050**	**203,478**
– Over time	**—**	**292,483**	**—**	**9,647**	**302,130**
	101,089	**309,109**	**42,713**	**52,697**	**505,608**
Revenue from other source:					
Finance lease income	**—**	**579**	**—**	**—**	**579**
Total revenue	**101,089**	**309,688**	**42,713**	**52,697**	**506,187**
Cost of revenue	**(89,465)**	**(220,755)**	**(31,932)**	**(37,896)**	**(380,048)**
Gross profits	**11,624**	**88,933**	**10,781**	**14,801**	**126,139**
Depreciation charge of property, plant and equipment	**8,549**	**319**	**5,033**	**23**	**13,924**
Amortisation charge of intangible assets	**1,375**	**—**	**—**	**—**	**1,375**

	Year ended 31 December 2020				
	Electric storage business	EPC Services	Automobile glass repair and replacement services	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	94,491	39,176	45,098	39,369	218,134
Timing of revenue recognition within the scope of HKFRS 15					
– At a point in time	94,491	1,537	45,098	36,719	177,845
– Over time	—	37,639	—	2,650	40,289
	94,491	39,176	45,098	39,369	218,134
Cost of revenue	(75,447)	(27,502)	(33,817)	(30,651)	(167,417)
Gross profits	19,044	11,674	11,281	8,718	50,717
Depreciation charge of property, plant and equipment	13,243	—	6,208	25	19,476
Amortisation charge of intangible assets	797	—	—	—	797

A reconciliation of segment gross profit to profit before income tax is provided as follows:

	2021	2020
	HK$'000	*HK$'000*
Segment gross profit	**126,139**	50,717
Unallocated items:		
Other income	**35,986**	5,480
Other gains, net	**813**	1,368
Impairment loss on financial assets	**(3,871)**	(416)
Selling and marketing costs	**(11,908)**	(5,295)
Administrative expenses	**(61,995)**	(32,032)
Share of results of an associate	**(4)**	—
Finance income	**1,795**	4,385
Finance costs	**—**	—
Profit before income tax	**86,955**	24,207

Revenue from the following customers account for 10% or more of the total revenue:

	Electric storage business	**EPC Services**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Year ended 31 December 2021			
Revenue from			
– Customer A	**68,268**	**—**	**68,268**
– Customer B	**—**	**123,647**	**123,647**
Year ended 31 December 2020			
Revenue from			
– Customer A	56,789	—	56,789

(b) **Disaggregation of revenue from contract with customers**

An analysis of the Group's sales by geographical area of its customers is as follows:

	2021	2020
	HK$'000	*HK$'000*
The PRC	**328,316**	169,455
Canada	**134,174**	1,537
Hong Kong	**42,713**	45,980
Others	**984**	1,162
	506,187	218,134

(c) **Segment assets and liabilities**

	Year ended 31 December 2021				
	Electric storage business	**EPC Services**	**Automobile glass repair and replacement services**	**Others**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Total assets	**666,090**	**440,176**	**62,821**	**49,085**	**1,218,172**
Total assets included:					
Additions to non-current assets during the year (other than financial instruments and deferred tax assets)	**174,513**	**2,939**	**5,046**	**840**	**183,338**
Total liabilities	**(200,058)**	**(223,616)**	**(13,649)**	**(12,542)**	**(449,865)**

	Year ended 31 December 2020				
	Electric storage business	EPC Services	Automobile glass repair and replacement services	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	429,161	46,011	39,885	37,499	552,556
Total assets included:					
Additions to non-current assets during the year (other than financial instruments and deferred tax assets)	70,935	—	4,578	1,301	76,814
Total liabilities	(61,683)	(14,038)	(12,740)	(15,572)	(104,033)

Reportable segment assets/(liabilities) are reconciled to total assets/(liabilities) as follows:

	Assets		**Liabilities**	
	2021	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment assets/(liabilities)	**1,218,172**	552,556	**(449,865)**	(104,033)
Unallocated items:				
Prepayments, deposits and other receivables	**270**	255	**—**	—
Cash and cash equivalents	**229,629**	2,748	**—**	—
Bank borrowings	**—**	—	**(227,343)**	(8,000)
Other creditors and accruals	**—**	—	**(1,529)**	(1,047)
Total assets/(liabilities)	**1,448,071**	555,559	**(678,737)**	(113,080)

An analysis of the Group's non-current assets other than financial instruments and deferred tax assets by geographical area in which the assets are located is as follows:

	2021	2020
	HK$'000	*HK$'000*
The PRC	**372,107**	208,140
Canada	**2,278**	—
Hong Kong	**16,492**	16,171
	390,877	224,311

(d) Assets and liabilities related to contract with customers

The Group has recognised the following assets and liabilities related to contract with customers:

	2021	2020
	HK$'000	*HK$'000*
Contract assets:		
– Provision of EPC Services	**201,553**	2,552
Contract liabilities:		
– Provision of EPC Services	**18,691**	950
– Others	**3,281**	5,147
	21,972	6,097

(i) Significant changes in contract assets and liabilities

Contract assets have increased by HK$199,001,000 (2020: HK$2,552,000) relating to the Group's EPC Services due to increase in the number of incomplete EPC Services contracts as at reporting date.

Contract liabilities have increased by HK$15,875,000 (2020: HK$4,389,000) during the year mainly due to the increase in security deposits arising from ongoing EPC Services contracts as at 31 December 2021.

(ii) Revenue recognised in relation to contract liabilities

Revenue of HK$6,145,000 (2020: HK$1,710,000) is recognised in relation to contract liabilities in the year.

(iii) Given that all contracts are for the periods of one year or less or are billed based on progress completed to date, as permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4. Other income and other gains, net

	2021	2020
	HK$'000	*HK$'000*
Other income		
Government grants (note (a))	**24,478**	4,866
Compensation from landlord (note (b))	**9,986**	—
Others	**1,522**	614
	35,986	5,480
Other gains, net		
Net gains on disposal of old facilities, scrapped materials or property, plant and equipment (note (c))	**466**	560
Rent concessions	**—**	1,242
Exchange gains/(losses)	**347**	(434)
	813	1,368

Notes:

(a) For the year ended 31 December 2021, the balance mainly represents grants obtained from the PRC government to incentivise the investment and research and development which amounted to approximately HK$21,655,000 and HK$2,823,000, respectively.

For the year ended 31 December 2020, the balance mainly represents grants under the Employment Support Scheme ("**ESS**") introduced by HKSAR Government which amounted to approximately HK$3,201,000. The grants are to provide time-limited financial support to employers in order to retain employees who may otherwise be made redundant during the period of economic uncertainty as a result of global pandemic outbreak of COVID-19 and are allocated over the period to match the relevant costs incurred. There are no unfulfilled and other contingencies attaching to ESS.

(b) In March 2021, the Company and a landlord of factory situated in Anhui Province of the PRC entered into a termination agreement and, pursuant to which, the landlord agreed to compensate an amount of RMB8,301,000 (equivalent to approximately HK$9,986,000) to the Company to early terminate the lease of Anhui factory. The early termination of the lease resulted in a loss on disposal of certain plant and equipment amounting to approximately HK$4,296,000.

(c) The Group's production operation generates scraps or recyclable materials and assets which are available for sale and give rise to disposal gains/(losses).

5. Profit before income tax

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

	2021	2020
	HK$'000	*HK$'000*
Cost of inventories	**259,927**	111,371
Write-off and provision for impairment of inventories	**305**	1,021
Auditor's remuneration	**880**	800
Depreciation charge:		
– Property, plant and equipment owned	**9,041**	12,090
– Right-of-use assets	**4,883**	7,386
Amortisation charge	**1,375**	797
Employee benefits expense (including directors' emoluments)	**56,037**	35,074
Expense relating to short-term leases	**2,443**	625
Rent concessions	**—**	(1,242)
Research and development expenses	**17,475**	13,984

6. **Finance income and costs**

	2021	2020
	HK$'000	*HK$'000*
Finance income		
Interest income from bank deposits	**1,795**	4,385
Finance costs		
Interest on bank borrowings	**1,633**	97
Interest on lease liabilities	**250**	541
Less: amounts capitalised (note)	**(1,883)**	(638)
	—	—

Note:

The capitalisation rate of 2.33% (2020: 4.79%) used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year.

7. **Income tax expense**

	2021	2020
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax (note (a))	**105**	495
– PRC corporate income tax (note (b))	**11,070**	2,561
– Canadian corporate income tax (note (c))	**1,255**	—
– PRC withholding tax (note (d))	**—**	475
	12,430	3,531
Deferred tax charge	**8,204**	591
	20,634	4,122

Notes:

(a) Hong Kong profits tax has been provided at the two-tiered rate of 8.25% for the first HK$2 million of the estimated assessable profits for one of the Group's Hong Kong subsidiaries for the year and 16.5% on the remaining estimated assessable profits for the years.

(b) One of the PRC subsidiaries, being qualified as a New and High Technology Enterprise, is entitled to a preferential corporate income tax rate of 15% (2020: 15%). Other subsidiaries of the Group in the PRC are subject to standard tax rate of 25% (2020: 25%). Provision for the PRC corporate income tax is calculated at 15% - 25% (2020: 15% - 25%) on estimated assessable profit for the year ended 31 December 2021.

(c) Canadian corporate income tax is provided on the estimated assessable profits for the period at the federal tax rate of 15% (2020: 15%) and provincial tax rates at rates prevailing in relevant provinces of 8% - 16% (2020: 11.5%) for the year ended 31 December 2021.

(d) PRC withholding tax represents tax charged by the PRC tax authority on dividends distributed by one of the Group's PRC subsidiaries for the year ended 31 December 2020.

8. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year which was adjusted to reflect the bonus element arising from the rights issue completed in December 2021 (2020: the weighted average number of ordinary shares in issue were represented to reflect the bonus element arising from the rights issue).

	2021	2020
	HK$'000	*HK$'000*
Profit attributable to owners of the Company	**62,629**	19,921
	('000)	*('000)*
		(Restated)
Weighted average number of ordinary shares in issues	**660,165**	657,805
	HK Cents	*HK Cents*
		(Restated)
Basic earnings per share	**9.49**	3.03

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the year ended 31 December 2021, the Company had dilutive potential ordinary shares from share options. The calculation for share options was determined by the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above was compared with the number of shares that would have been issued assuming the exercise of the share options. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the year) for the same total proceeds was the number of shares issued for no consideration. The resulting number of shares issued for no consideration was included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share (2020: dilutive).

	2021	2020
	HK$'000	*HK$'000*
Profit attributable to owners of the Company	**62,629**	19,921
	('000)	*('000)*
		(Restated)
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**660,165**	657,805
Adjustment for share options	**6,087**	8
	666,252	657,813
	HK Cents	*HK Cents*
		(Restated)
Diluted earnings per share	**9.40**	3.03

9. Dividends

No final dividend was proposed during the year (2020: Nil).

10. Contract assets, trade and other receivables and prepayments

	2021	2020
	HK$'000	*HK$'000*
Finance lease – gross receivables	**77,216**	—
Less: Unearned finance income	**(19,816)**	—
Present value of minimum lease payments	**57,400**	—
Less: Loss allowance	**(224)**	—
	57,176	—
Trade receivables (note (a))		
– Third parties	**72,496**	78,440
– Related companies	**11,590**	2,868
Less: Loss allowance	**(1,273)**	(906)
	82,813	80,402
Contract assets	**201,691**	—
Less: Loss allowance	**(138)**	2,552
	201,553	2,552
Bills receivables (note (b))	**7,491**	22,298
Prepayments	**53,472**	25,034
Value-added tax recoverable	**14,256**	8,193
Deposits and other receivables	**4,798**	7,219
	421,559	145,698
Less: Non-current portion		
Trade receivables	**(7,456)**	(11,763)
Finance lease receivables	**(53,763)**	—
Prepayments for property, plant and equipment	**(8,308)**	(18,613)
Current portion	**352,032**	115,322

Notes:

(a) Trade receivables

Majority of credit period granted by the Group to its customers is 30 to 90 days (2020: 30 to 90 days), except certain customers arising from EPC Services in the PRC who have been granted with credit period of 24 months and repayable on monthly basis. Ageing analysis of the Group's trade receivables based on the invoice date was as follows:

	2021	2020
	HK$'000	*HK$'000*
0 – 90 days	**50,530**	63,201
91 – 180 days	**6,635**	3,235
181 – 365 days	**4,803**	4,256
Over 365 days	**20,845**	9,710
	82,813	80,402

(b) Bills receivables

The maturity dates of bills receivables are within 12 months (2020: 12 months).

11. Contract liabilities, trade and other payables

	2021	2020
	HK$'000	*HK$'000*
Trade payables (note (a))		
– Third parties	**248,991**	35,858
– Related companies	**3,432**	664
	252,423	36,522
Bills payables	**35,272**	—
Contract liabilities	**21,972**	6,097
Accrued salaries and bonus	**17,483**	13,654
Other payables for purchase of property, plant and equipment	**51,338**	15,210
Other creditors and accruals	**8,987**	4,261
Value-added tax payable	**17,398**	1,332
Retention payables for disposal of old facilities or scraps	**—**	1,191
Deferred revenue in respect of a government grant	**9,785**	9,532
	414,658	87,799

Note:

(a) Trade payables

Ageing analysis of the Group's trade payables based on the invoice date was as follows:

	2021	2020
	HK$'000	*HK$'000*
Within 30 days	**239,734**	31,577
31 – 90 days	**3,803**	2,940
91 – 180 days	**457**	1,817
Over 180 days	**8,429**	188
	252,423	36,522

12. Bank borrowings

As at 31 December 2021, the Group's bank borrowings are repayable as follows:

	2021	2020
	HK$'000	*HK$'000*
On demand or within one year	**105,000**	8,000
In the second year	**68,512**	—
In the third to fifth years	**53,831**	—
Wholly repayable within five years	**227,343**	8,000
Less: portion due on demand or within one year under current liabilities	**(105,000)**	(8,000)
Portion due over one year under non-current liabilities	**122,343**	—

MANAGEMENT DISCUSSION AND ANALYSIS

The Group recorded a significant increase in revenue by 132.1% to HK$506.2 million in 2021 from HK$218.1 million in 2020. Profit attributable to owners of the Company also increased significantly by 214.4% to HK$62.6 million in 2021 from HK$19.9 million in 2020. The remarkable performance was primarily due to the increase in the sales revenue and gross profit attributable to EPC Services in 2021. The following sets forth brief information on the principal business segments of the Group.

New Energy - Electric Storage Business

The Group has production facilities for the manufacturing and sales of lithium battery products. Products of the Group are mainly sold and installed in integrated systems comprising lithium batteries, battery management systems and other components (such as energy management systems and power conditioning systems).

The Group's energy storage facilities are installed with lithium batteries, which are being used as large-scale power banks for manufacturing facilities to facilitate load shifting and power stabilisation, uninterruptible power supply and a wide range of micro energy storage products. The Group is also engaged in the provision of contract processing services for battery packs and energy storage products to its customers.

In March 2021, the Group relocated the production facilities to Zhangjiagang, Jiangsu Province and has commenced operation accordingly.

New Energy - EPC Services

The Group provides EPC Services for photovoltaic power stations to customers in the PRC for installation of photovoltaic power stations on their premises.

In addition to the domestic market in the PRC, in the fourth quarter of 2020, the Group established a subsidiary in Canada, namely Polaron Energy Corp., for the provision of EPC Services in the overseas markets.

Automobile Glass Repair and Replacement Business

The Group operates four service centres and a motorcade service team for the automobile glass repair and replacement services in Hong Kong.

BUSINESS REVIEW

Electric Storage Business – Expansion on production capacity, upgrading existing equipment and continuously investing in research and development ("R&D") to enhance market competitiveness

Since the start of the production of lithium battery products in 2017, the Group has developed and launched various types of energy storage system products and power battery products. Through the integrated R&D, design, production, system integration and services centered on self-produced lithium batteries, the Group has fully leveraged the competitive advantage of the vertically integrated industrial chain, and battery products have become the core business of the Group so far.

In 2021, construction of the Group's lithium battery plant in Zhangjiagang, Jiangsu Province has been completed and production has commenced. This new production facility provides a broader range of integrated products to customers, which enables the Group to position itself well for the opportunities arising from the rapid growth of the electric storage industry.

The Group has always adhered to technology innovation and believed that R&D is the key to long-term development and therefore has given strong support to the investment in the R&D of lithium battery products. The Group continues to strengthen the R&D and production of lithium battery products and other associated products based on customers' demand and market change, and thereby strive to offer customers a wider range of power supply products, technical services and comprehensive system solutions. During the year, the Group established subsidiaries in Shenzhen and Xi'an, the PRC, focusing on the R&D of charging apparatuses, power conversion systems and electric storage technology, with an aim to widen the R&D spectrum in various areas of power supply.

EPC Services for photovoltaic power stations – New business leads to revenue and profit growth and the development of EPC Services business in overseas markets

In 2020, the Group seized the opportunities arising from the rapid development of the photovoltaic market and embarked on the EPC Services business for photovoltaic power stations in the PRC and Canada. These businesses contributed significant revenue and profit to the Group in 2021.

The Group successfully undertook a number of distributed photovoltaic EPC projects in the PRC in 2021, and the installation and grid connection of such have either completed or progressing as per designed schedule. In addition, the Group's EPC Services business in Canada is also under rapid development and is currently focusing on providing EPC Services to household users in the provinces of Nova Scotia and Prince Edward Island in Canada. The Directors expect that the strong performance in Canada would facilitate the Group's business development in overseas markets.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2021, the Group's revenue was HK$506.2 million (2020: HK$218.1 million), representing an increase by 132.1% mainly attributable to the change in revenue contributed by business segments analysed as follows:

Revenue — by segment

	Year Ended 31 December					
	2021		2020		Increase/(decrease)	
	HK\$'million	*%*	*HK\$'million*	*%*	*HK\$'million*	*%*
Electric storage business	**101.1**	**20.0**	94.5	43.3	6.6	7.0
EPC Services	**309.7**	**61.2**	39.2	18.0	270.5	690.1
Automobile glass repair and replacement services	**42.7**	**8.4**	45.1	20.7	(2.4)	(5.3)
Others (Trading of forklift and wind farm related business)	**52.7**	**10.4**	39.3	18.0	13.4	34.1
Total revenue	**506.2**	**100.0**	218.1	100.0	288.1	132.1

Revenue — by geographical area

	Year Ended 31 December					
	2021		2020		Increase/(decrease)	
	HK$'million	*%*	*HK$'million*	*%*	*HK$'million*	*%*
The PRC	**328.3**	**64.9**	169.4	77.7	158.9	93.8
Canada	**134.2**	**26.5**	1.5	0.7	132.7	8,846.7
Hong Kong	**42.7**	**8.4**	46.0	21.1	(3.3)	(7.2)
Others	**1.0**	**0.2**	1.2	0.5	(0.2)	(16.7)
Total revenue	**506.2**	**100.0**	218.1	100.0	288.1	132.1

The increase in revenue was primarily because of the following reasons:

(a) the increase in revenue attributable to the EPC Services, which contributed revenue amounting to HK$309.7 million for the year ended 31 December 2021 as compared to revenue amounting to HK$39.2 million for the year ended 31 December 2020;

(b) the increase in revenue attributable to "Others" business segment by 34.1%, which was mainly due to the increase in sales of the forklifts and the increase in service fee recognised by the Group pursuant to the wind farm management agreement dated 6 November 2020; and

(c) partially offset by the decrease in revenue attributable to the automobile glass repair and replacement services by HK$2.4 million or 5.3%, which was mainly due to the continuous adverse impact on the demand for the services as a result of the outbreak of COVID-19.

Cost of revenue and gross profit

Cost of revenue comprised of HK$89.5 million (2020: HK$75.4 million) arising from the electric storage business, HK$220.8 million (2020: HK$27.5 million) arising from the EPC Services, HK$31.9 million (2020: HK$33.8 million) arising from the automobile glass repair and replacement services, and HK$37.9 million (2020: HK$30.7 million) arising from others (trading of forklift and wind farm related business).

Cost of revenue for the electric storage business of HK$89.5 million (2020: HK$75.4 million) mainly comprised of the material cost, labour cost and depreciation charge of property, plant and equipment. The gross profit of the electric storage business decreased from HK$19.0 million for the year ended 31 December 2020 to HK$11.6 million for the year ended 31 December 2021 mainly due to the increase in purchase cost of certain raw materials for production.

Cost of revenue for the EPC Services of HK$220.8 million (2020: HK$27.5 million) mainly comprised of the material cost, installation cost and subcontracting cost. The gross profit of the EPC Services increased from HK$11.7 million for the year ended 31 December 2020 to HK$88.9 million for the year ended 31 December 2021 mainly due to the increase in number of EPC Services contracts undertaken in the PRC and Canada during the year.

Cost of revenue for the automobile glass repair and replacement services decreased from HK$33.8 million for the year ended 31 December 2020 to HK$31.9 million for the year ended 31 December 2021. The gross profit of the automobile glass repair and replacement services decreased from HK$11.3 million for the year ended 31 December 2020 to HK$10.8 million for the year ended 31 December 2021 mainly because the rental and other overhead expenses (including labour costs) were generally stable, while revenue decreased.

Cost of revenue of others mainly comprised of the purchase cost of forklifts and the staff costs for the wind farm related business.

The overall gross profit margin increased from 23.3% for the year ended 31 December 2020 to 24.9% for the year ended 31 December 2021 mainly due to the relatively higher gross profit margin attributable to the EPC Services for photovoltaic power stations, of 28.7%

Other income

Other income mainly represented the government grants from the PRC government to incentivise the investment and research and development and the compensation from the PRC government in relation to the early termination of lease agreements for our factory and office premises in Wuhu City, Anhui Province, the PRC.

Upon the request by the PRC government to move out of the factory and office premises in Wuhu City for the change of utilisation plan of the zone area, the Group entered into a termination agreement with the PRC government in March 2021 to early terminate the lease agreements for the factory and office premises. The Group was entitled to receive a compensation from the PRC government mutually agreed which was calculated with reference to the remaining rental payments under the lease agreements. In March 2021, the Group moved out of the premises in accordance with the termination agreement.

Other gains, net

Other gains, net mainly included the gain on disposal of scrapped materials; and partially offset by the write off of certain plant and equipment of factory premises as a result of the move out as set out above.

Expenses

Selling and marketing costs increased by HK$6.6 million from HK$5.3 million for the year ended 31 December 2020 to HK$11.9 million for the year ended 31 December 2021, which was mainly due to (i) the increase in number of employees; and (ii) the increase in expenses in connection with selling activities such as transportation cost for delivering products to customers and travelling and entertainment expenses.

Administrative expenses increased by HK$30.0 million from HK$32.0 million for the year ended 31 December 2020 to HK$62.0 million for the year ended 31 December 2021, primarily due to (i) the expenses incurred for the termination of employment with certain employees in connection with the move out of the factory; (ii) the increase in number of employees and the share-based compensation for share options granted in the year; and (iii) the increase in the expenditure for research and development of the Group's products.

Finance costs

No finance costs were charged to profit or loss for the year ended 31 December 2021 (2020: Nil) as all the interest expenses were capitalised. During the year under review, interest expense of HK$1.9 million (2020: HK$0.6 million) was capitalised into the construction costs of the lithium battery production facilities. The capitalised amounts will depreciate together with the relevant assets over their estimated useful lives. The increase in amount capitalised was mainly attributable to the higher weighted average carrying amount of bank borrowings during the year to finance the capital expenditures for its lithium battery production facilities.

Income tax expense

The Group incurred income tax expense of HK$20.6 million for the year ended 31 December 2021 (2020: HK$4.1 million), which comprised of Hong Kong profits tax, PRC Corporate Income Tax and Canadian corporate income tax. The effective tax rate was 23.7% for the year ended 31 December 2021 (2020: 17.0%). The increase in income tax expense and effective tax rate is mainly due to the increase in profit before income tax and higher corporate tax rate attributable to our EPC Services business in Canada and our wind farm related business in the PRC. One of the PRC subsidiaries, being qualified as New and High Technology Enterprise, was entitled to a preferential Corporate Income Tax rate of 15% and tax incentives for research and development tax credit.

Profit before income tax and net profit for the year

The Group recorded profit before income tax for the year ended 31 December 2021 of HK$87.0 million (2020: HK$24.2 million). This was mainly attributable to the performance of the Group as analysed above.

The profit attributable to owners of the Company increased by 214.4% from HK$19.9 million in 2020 to HK$62.6 million in 2021.

BUSINESS OUTLOOK

Under the objectives of "carbon neutrality and carbon emission peak (碳中和、碳達峰)", in 2021, the Chinese government has released several policies related to the energy storage industry. As supported by these favourable national policies, the Group is well positioned to continue increasing its investment in the electric storage business to capture the opportunities created by the booming energy storage industry. At the same time, as the application of photovoltaic system is more commonly known and the distributed photovoltaic power stations are built with idle roof, it provides a huge room for development for photovoltaic system. The Group will also continue to actively explore new projects in EPC Services, as the Directors expect that EPC Services business in the PRC would contribute stable revenue and profit to the Group.

As for the EPC Services business in Canada, the Canadian government launched the Canada Greener Homes Grant in May 2021. The launch of such scheme encouraged households in Canada to install energy-saving equipment, which is favourable to the Group's EPC Services business. In addition, the Group plans to encourage the use of micro energy storage system in residential buildings in Canada in the future. Such new products are expected to drive business growth for the Group.

The Group is also proactively exploring other new energy-related businesses in order to fully utilise its potential as an integrated new energy enterprise. The Group is actively preparing for the development of a new business of producing photovoltaic films, and plans to construct a production facility for photovoltaic films in Wuhu City, Anhui Province. Under the support of national policies, the demand for solar products (including solar modules) is expected to increase. Photovoltaic films, being one of the important materials for solar modules, is expected to receive increasing demands in line with the growth of the solar power industry. The Group believes that the development of the photovoltaic film business will bring considerable growth in the Group's revenue and profit, and is beneficial to the Group's continuous development in the new energy industry.

FINANCIAL RESOURCES AND LIQUIDITY

For the year ended 31 December 2021, the Group's primary sources of funding included its own working capital, the net proceeds from the rights issue in May 2018 and December 2021 and bank borrowings. As at 31 December 2021, the Group had net current assets of HK$428.7 million (31 December 2020: HK$194.5 million) and cash and cash equivalents of HK$433.2 million (31 December 2020: HK$152.9 million) which were placed with major banks in Hong Kong, the PRC and Canada. As at 31 December 2021, the Group had bank borrowings of HK$227.3 million (31 December 2020: HK$8.0 million) and had unutilised banking facilities of HK$96.8 million (31 December 2020: HK$102.0 million).

The Group's gearing ratio calculated based on net debt (bank borrowings less cash and cash equivalents) divided by the shareholders' equity of the Group was not applicable as the Group had no net debt as at 31 December 2021 and 2020.

CAPITAL STRUCTURE

The shares of the Company have been listed on GEM since 11 July 2016 (the "**Listing Date**"). Apart from the rights issue in May 2018 and December 2021, there has been no material change in the capital structure of the Company since the Listing Date. The capital of the Group comprises only ordinary shares.

CAPITAL EXPENDITURES AND COMMITMENTS

The Group incurred capital expenditures of HK$172.7 million for the year ended 31 December 2021 (2020: HK$70.5 million), which was mainly related to the development and construction of lithium battery production facilities in the PRC.

Capital commitments contracted but not provided for by the Group as at 31 December 2021 amounted to HK$39.7 million (31 December 2020: HK$107.1 million), which were mainly related to the purchase of various production plants and machinery for the lithium battery plant in the PRC from independent third parties under different independent contracts.

PLEDGE OF ASSETS

As at 31 December 2021, a bank balance of HK$7.1 million was pledged to secure for the Group's bills payables (2020: Nil).

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2021, the Group had 364 (31 December 2020: 259) full-time employees, of whom 266 (31 December 2020: 200) were based in the PRC, 59 (31 December 2020: 59) were based in Hong Kong and 39 (31 December 2020: Nil) were based in Canada. The total staff costs, including the emoluments of the Directors, amounted to HK$78.7 million (2020: HK$49.6 million) for the year ended 31 December 2021. The Group maintains good relationships with all of its employees. It provides the employees with sufficient training in business and professional knowledge, including information about the applications of the Group's products and skills in maintaining good customer relationships. Remuneration packages offered to the Group's employees have been consistent with the prevailing market terms and are reviewed on a regular basis. Discretionary bonuses may be awarded to employees taking into consideration the Group's performance and that of the individual employee.

Pursuant to the applicable laws and regulations, the Group has participated in relevant defined contribution retirement schemes administrated by the responsible government authorities in the PRC for its employees in the PRC. For the Group's employees in Hong Kong, all the arrangements pursuant to the mandatory provident fund requirements prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) have been duly implemented.

FINAL DIVIDEND

The Directors did not recommend the payment of any final dividend for the year ended 31 December 2021 (2020: Nil).

TREASURY POLICIES AND EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group mainly operates in Hong Kong, the PRC and Canada with most of the transactions denominated and settled in Hong Kong dollars ("**HK$**"), Chinese Renminbi ("**RMB**") and Canadian Dollar ("**CAD**"). Exchange rate fluctuations between RMB and HK$ or CAD and HK$ could affect the Group's performance and asset value.

Amid the recent appreciation (2020: appreciation) of RMB against HK$, the Group reported non-cash translation gain (2020: gain) – an increase in the reserve of its consolidated statement of financial position of HK$11.8 million (2020: HK$25.1 million), when converting RMB-denominated assets and liabilities into HK$ at 31 December 2021.

The Group transacts mainly in HK$ and RMB. However, the Group retains some bank balances in HK$ in the PRC which contributed to a foreign currency translation gain of HK$0.3 million (2020: loss of HK$0.4 million) as HK$ fluctuates against RMB during the year ended 31 December 2021.

The Group has not experienced any material difficulties and liquidity problems resulting from currency exchange fluctuations. The Group may use financial instruments for hedging purposes as and when required. During the year ended 31 December 2021, the Group did not use any financial instrument for hedging purpose.

USE OF PROCEEDS OF RIGHTS ISSUE

(a) In May 2018, the Company raised net proceeds of HK$198.9 million by way of rights issue of 108,022,591 rights shares. The table below sets forth the proposed applications of the net proceeds and the actual utilisation up to 31 December 2021:

	Proposed applications of the net proceeds	Remaining balance as at 31 December 2020	Amount utilised up to 31 December 2021	Remaining balance as at 31 December 2021
	HK$'million	*HK$'million*	*HK$'million*	*HK$'million*
Set-up new production lines for lithium batteries business	135.4	27.8	27.8	—
Repay the outstanding capital expenditure of the existing lithium battery production facilities	24.7	—	—	—
General working capital	38.8	—	—	—
Total	198.9	27.8	27.8	—

(b) In December 2021, the Company raised net proceeds of HK$228.2 million by way of rights issue of 64,845,744 rights shares. The table below sets forth the proposed applications of the net proceeds and the actual utilisation up to 31 December 2021:

	Proposed applications of the net proceeds	**Amount utilised up to 31 December 2021**	**Remaining balance as at 31 December 2021**	**Timeline for the intended use**
	HK$' million	***HK$' million***	***HK$' million***	
Additional capital for electric storage business and EPC Services business	105.4	—	105.4	By end of 2022
Investment in new photovoltaic film production line	100.0	—	100.0	By end of 2022
General working capital	22.8	—	22.8	By end of 2022
	228.2	—	228.2	

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR ACQUISITIONS OF CAPITAL ASSETS

As at 31 December 2021, there were no significant investments held which exceed 5% of the total assets of the Group. There were no material acquisitions or disposals of subsidiaries and affiliated companies during the year ended 31 December 2021. Save as the disclosed plan to set up the new photovoltaic film production line in Wuhu, Anhui Province, the PRC, there were no other plans authorised by the Board for any material investments or additions of capital assets as at the date of this announcement.

CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any significant contingent liabilities (31 December 2020: Nil).

EVENT AFTER THE REPORTING PERIOD

No significant events have taken place subsequent to 31 December 2021 and up to the date of this announcement.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and code provisions of the Corporate Governance Code (the "**CG Code**") as set forth in Part 2 of Appendix 15 to the GEM Listing Rules. The Directors will continue to review its corporate governance standard, to comply with the increasingly tightened regulatory requirements from time to time, and to meet the rising expectation of Shareholders and other stakeholders of the Company. For the year ended 31 December 2021, the Company had complied with the applicable code provisions set forth in the CG Code.

AUDIT COMMITTEE

The Company established an audit committee of the Board (the "**Audit Committee**") on 25 June 2016 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Group, nominate and monitor external auditors and provide advice and comments to the Board on matters related to corporate governance. The members of the Audit Committee include three independent non-executive Directors, namely Mr. WANG Guisheng, Mr. NG Wai Hung and Mr. CHAN Hak Kan, S.B.S., J.P.. Mr. WANG Guisheng is the chairman of the Audit Committee.

The audited consolidated financial statements of the Group for the year ended 31 December 2021 have been reviewed by the Audit Committee.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings concerning securities transaction set forth in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries with all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by directors for the year ended 31 December 2021.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the year ended 31 December 2021, neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

NO COMPETING BUSINESS

The Company and Xinyi Solar Holdings Limited ("**Xinyi Solar**") (stock code: 00968), a company listed on the Main Board of the Stock Exchange, are both engaged in the provision of EPC Services for photovoltaic power stations. Xinyi Solar is controlled by certain controlling shareholders and directors of the Company. Arrangements have been in place to ensure that there will be no competing business between the Company and Xinyi Solar in terms of geographical locations. There is no overlapping customer between the Company and Xinyi Solar.

Save as disclosed above, as far as the Directors are aware, during the year ended 31 December 2021, none of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) or their respective associates (as defined in the GEM Listing Rules) have any interests in a business which competed or may compete, either directly or indirectly, with the business of the Group or have any other conflicts of interests which any such person has or may have with the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as of the date of this announcement, there is sufficient public float or not less than 25% of the shares of the Company are in the hands of the public as required under the GEM Listing Rules.

PUBLICATION OF ANNUAL RESULTS

This announcement is published on the websites of the Stock Exchange and the Company. The annual report of the Company for the financial year ended 31 December 2021 containing all the information required by the GEM Listing Rules and other applicable laws and regulations will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

FIGURES IN PRELIMINARY ANNOUNCEMENT AGREED BY AUDITOR

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 the year ended 31 December 2021 as set forth in the preliminary announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set forth in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

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, 2 March 2022

The English text of this announcement shall prevail over the Chinese text in case of inconsistencies.

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 will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.hk 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.