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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)

RESULTS OF THE NON-UNDERWRITTEN RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TEN (10) EXISTING SHARES HELD ON THE RECORD DATE AND ADJUSTMENTS IN RELATION TO OUTSTANDING SHARE OPTIONS

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that all the conditions of the Rights Issue have been fulfilled and the Rights Issue became unconditional at 4:00 p.m. on Thursday, 8 September 2022. The gross proceeds raised from the Rights Issue are approximately HK\$393.95 million and the net proceeds from the Rights Issue after deducting all related expenses for the Rights Issue are approximately HK\$393.20 million.

As of 4:00 p.m. on Wednesday, 7 September 2022, being the latest time for acceptance of and payment for the Rights Shares and for the application and payment for the excess Rights Shares,

- (i) a total of 36 valid acceptances in respect of a total of 64,898,842 Rights Shares provisionally allotted under the Rights Issue have been received, representing approximately 90.94% of the total number of 71,367,861 Rights Shares available for subscription under the Rights Issue; and
- (ii) a total of 25 valid applications for a total of 32,320,502 excess Rights Shares have been received, representing approximately 45.29% of the total number of 71,367,861 Rights Shares available for subscription under the Rights Issue.

In aggregate, a total of 61 valid acceptances and applications in respect of 97,219,344 Rights Shares, representing approximately 136.22% of the total number of 71,367,861 Rights Shares available for subscription under the Rights Issue, have been received. Based on the above results, the Rights Issue was over-subscribed by 25,851,483 Rights Shares, representing approximately 36.22% of the total number of 71,367,861 Rights Shares available for subscription under the Rights Issue.

EXCESS RIGHTS SHARES

Given the over-subscription of the Rights Shares, the Board considers that it is fair and equitable to allocate 6,469,019 Rights Shares to Qualifying Shareholders who had validly applied for excess Rights Shares on a pro-rata basis of approximately 20.02% by reference to the number of excess Rights Shares validly applied for under each application. In determining the basis of allocation of the excess Rights Shares, no reference has been made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders and no preference has been given to applications for topping-up odd lots to whole lots holdings.

DESPATCH OF SHARE CERTIFICATES FOR THE FULLY-PAID RIGHTS SHARES AND REFUND CHEQUES

It is expected that the share certificates for the fully-paid Rights Shares and the refund cheque (if any) in respect of partially unsuccessful applications for the excess Rights Shares (without interest) will be posted to the allottees and/or the applicants by ordinary post to their registered addresses at their own risks on or before Friday, 16 September 2022.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Monday, 19 September 2022.

ADJUSTMENTS IN RELATION TO THE OUTSTANDING SHARE OPTIONS

Pursuant to the terms and conditions of the Share Option Scheme and the GEM Listing Rules, the exercise price and the number of Shares entitled to be subscribed under the outstanding Share Options granted under the Share Option Scheme will be adjusted. As a result of the Rights Issue, adjustments to the exercise price and the number of Shares to be issued upon exercise of the outstanding Share Options will become effective from Friday, 16 September 2022.

References is made to the prospectus (the “**Prospectus**”) of Xinyi Electric Storage Holdings Limited (the “**Company**”) dated 24 August 2022 in relation to the Rights Issue on a non-underwritten basis of one (1) Rights Share for every ten (10) existing Shares held on the Record Date. Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that all the conditions of the Rights Issue have been fulfilled and the Rights Issue became unconditional at 4:00 p.m. on Thursday, 8 September 2022. The gross proceeds raised from the Rights Issue are approximately HK\$393.95 million and the net proceeds from the Rights Issue after deducting all related expenses for the Rights Issue are approximately HK\$393.20 million.

As of 4:00 p.m. on Wednesday, 7 September 2022, being the latest time for acceptance of and payment for the Rights Shares and for the application and payment for the excess Rights Shares,

- (i) a total of 36 valid acceptances in respect of a total of 64,898,842 Rights Shares provisionally allotted under the Rights Issue have been received, representing approximately 90.94% of the total number of 71,367,861 Rights Shares available for subscription under the Rights Issue; and
- (ii) a total of 25 valid applications for a total of 32,320,502 excess Rights Shares have been received, representing approximately 45.29% of the total number of 71,367,861 Rights Shares available for subscription under the Rights Issue.

Pursuant to the Irrevocable Undertakings, the Concert Group have accepted and subscribed for 50,744,961 Rights Shares, provisionally allotted to them under the PALs. The Concert Group have also subscribed and applied for 19,396,071 Rights Shares under the EAFs.

In aggregate, a total of 61 valid acceptances and applications in respect of 97,219,344 Rights Shares, representing approximately 136.22% of the total number of 71,367,861 Rights Shares available for subscription under the Rights Issue, have been received. Based on the above results, the Rights Issue was over-subscribed by 25,851,483 Rights Shares, representing approximately 36.22% of the total number of 71,367,861 Rights Shares available for subscription under the Rights Issue.

EXCESS APPLICATION

Given the valid acceptance of provisional allotments under the PALs as mentioned above, 6,469,019 Rights Shares were available for subscription under the EAFs. Such number of excess Rights Shares was insufficient to satisfy all valid applications for a total number of 32,320,502 excess Rights Shares made under the EAFs.

Given the over-subscription of the Rights Shares, the Board considers that it is fair and equitable to allocate 6,469,019 Rights Shares to Qualifying Shareholders who had validly applied for excess Rights Shares on a pro-rata basis of approximately 20.02% by reference to the number of excess Rights Shares validly applied for under each application. In determining the basis of allocation of the excess Rights Shares, no reference has been made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders and no preference has been given to applications for topping-up odd lots to whole lots holdings.

USE OF PROCEEDS

The gross proceeds from the Rights Issue are approximately HK\$393.95 million and the net proceeds from the Rights Issue, after deducting all related expenses for the Rights Issue, are approximately HK\$393.20 million. The net proceeds from the Rights Issue will be applied in accordance with the proposed use of proceeds set forth in the paragraphs under “Reasons for and benefits of the Rights Issue and use of proceeds” in the section headed “Letter from the Board” in the Prospectus.

CHANGES IN THE SHAREHOLDING STRUCTURE

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the shareholding structure of the Company immediately before and after completion of the Rights Issue is as follows:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Controlling Shareholders				
Concert Group <i>(Note 1)</i>	507,449,659	71.10	562,076,785	71.60
Full Guang <i>(Note 2)</i>	8,523,634	1.19	9,441,143	1.20
Ms. LI Pik Yung <i>(Note 3)</i>	93,596	0.01	102,955	0.01
Mr. WANG Mohan <i>(Note 4)</i>	62,000	0.01	62,000	0.01
Public Shareholders	<u>197,549,728.38</u>	<u>27.68</u>	<u>213,363,595.38</u>	<u>27.18</u>
Total	<u>713,678,617.38</u>	<u>100.00</u>	<u>785,046,478.38</u>	<u>100.00</u>

Notes:

1. The Concert Group are Dr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*, Mr. LEE Sing Din, Mr. LI Ching Leung, Mr. LI Ching Wai, Mr. LI Man Yin, Mr. NG Ngan Ho and Mr. SZE Nang Sze and their respective associates (other than Full Guang).
2. Full Guang is owned by Dr. LEE Yin Yee, B.B.S. as to 33.98%, Mr. TUNG Ching Bor as to 16.20%, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.* as to 16.20%, Mr. LEE Sing Din as to 11.85%, Mr. LI Ching Wai as to 5.56%, Mr. NG Ngan Ho as to 3.70%, Mr. LI Man Yin as to 3.70%, Mr. SZE Nang Sze as to 5.09% and Mr. LI Ching Leung as to 3.70%.
3. Ms. LI Pik Yung is an executive Director.
4. Mr. WANG Mohan is the chief executive officer of the Company.
5. Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

DESPATCH OF SHARE CERTIFICATES FOR THE FULLY-PAID RIGHTS SHARES AND REFUND CHEQUES

It is expected that the share certificates for the fully-paid Rights Shares and the refund cheque (if any) in respect of partially unsuccessful applications for the excess Rights Shares (without interest) will be posted to the allottees and/or the applicants by ordinary post to their registered addresses at their own risks on or before Friday, 16 September 2022.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Monday, 19 September 2022.

ADJUSTMENTS IN RELATION TO OUTSTANDING SHARE OPTIONS

Immediately before completion of the Rights Issue, there were 14,396,765 outstanding Share Options granted under the Share Option Scheme.

Pursuant to the terms and conditions of the Share Option Scheme and the GEM Listing Rules, the exercise price and the number of Shares entitled to be subscribed under these outstanding Share Options will be adjusted.

As a result of the Rights Issue, adjustments to the exercise price and the number of Shares to be issued upon exercise of the outstanding Share Options, pursuant to the terms and conditions of the Share Option Scheme, Rule 23.03(13) of the GEM Listing Rules in relation to the adjustment to the terms of the Share Option Scheme, the Supplementary Guidance on GEM Listing Rule 23.03(13) and the Note

Immediately After the Rule attached to the Frequently Asked Question No. 072-2020 issued by the Stock Exchange on 6 November 2020 (the “**Stock Exchange Supplementary Guidance**”), are as follows and will become effective from Friday, 16 September 2022 upon the allotment and issue of the Rights Shares pursuant to the Rights Issue:

Date of grant	Exercise period of Share Options	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
		Number of Shares to be issued upon exercise of the Share Options	Exercise price per Share of Options <i>HK\$</i>	Adjusted number of Shares to be issued upon exercise of the Share Options	Adjusted exercise price per Share of Options <i>HK\$</i>
25 August 2022	1 April 2025 – 31 March 2026	1,500,000	6.310	1,524,070	6.210
11 May 2022	1 April 2025 – 31 March 2026	1,519,000	3.908	1,543,375	3.846
11 May 2021	1 April 2024 – 31 March 2025	1,386,044	4.730	1,408,286	4.655
18 December 2020	1 April 2024 – 31 March 2025	9,438,552	2.010	9,590,011	1.978
24 August 2020	1 April 2023 – 31 March 2024	402,610	1.379	409,071	1.357
3 September 2019	1 April 2022 – 31 March 2023	150,559	1.153	152,975	1.135

Save for the above adjustments, all other terms and conditions of the outstanding Share Options granted under the Share Option Scheme remain unchanged.

The auditor of the Company, BDO Limited, has reviewed the calculations and confirmed to the Directors in writing that the calculation is accurate and the above adjustments made to the exercise price and the number of Shares falling to be issued upon the exercise of the outstanding Share Options are in compliance with the requirements set forth in the terms and conditions of the Share Option Scheme, Rule 23.03(13) of the GEM Listing Rules and the Stock Exchange Supplementary Guidance.

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, 15 September 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 website of the Stock Exchange at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of posting and the Company's website at www.xyglass.com.hk.