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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)

PROFIT WARNING FOR THE YEAR ENDED 31 DECEMBER 2022

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 a 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 2022, 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 year ended 31 December 2022 is expected to decrease by 25% to 35% to the range between HK\$40.7 million and HK\$47.0 million, as compared to the Net Profit of HK\$62.6 million for the year ended 31 December 2021. Such decrease is primarily due to the lack of the PRC government grant in 2022 for the equity investment completely made to a wholly-owned subsidiary of the Company in 2021 (2021: RMB18.0 million (equivalent to HK\$21.7 million)), the effect of which was offset by the improvement in the operating performance driven by the increase in revenue of the Group for the year ended 31 December 2022 by 110.6% to around HK\$1,066.2 million.

The Company is in the process of finalising the consolidated annual results of the Group for the year ended 31 December 2022. 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 2022. The unaudited consolidated annual results of the Group for the year ended 31 December 2022 may change following the review by the Board and the external auditors of the Company. The information in this announcement has not been reviewed by the external auditors of the Company or the audit committee of the Board.

The Board expects that the announcement of the unaudited consolidated annual results of the Group for the year ended 31 December 2022 will be published by end of March 2023 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 March 2023

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.xinyies.com.