
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Xinyi Electric Storage Holdings Limited to be held at 21/F, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Thursday, 2 June 2022 at 11:45 a.m. is set forth in Appendix III to this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours before the time appointed for holding the annual general meeting (i.e. not later than Tuesday, 31 May at 11:45 a.m. (Hong Kong time)) or any adjourned meeting. **Completion and return of the accompanying form of proxy will not preclude you from subsequently attending and voting in person at the annual general meeting of the Company or any adjourned meeting should you so wish.**

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see pages 1-2 of this document for measures being taken to try to prevent and control the spread of the Coronavirus at the Annual General Meeting, including:

- compulsory temperature checks
- compulsory health declarations
- compulsory wearing of surgical face masks
- mandatory scanning of the "LeaveHomeSafe" ("LHS") venue QR code using the LHS Mobile App or filling in a specified form as an alternative to the use of the LHS Mobile App (for individuals allowed under the relevant regulations)
- attendees aged 18 or above are required to receive at least two doses of COVID-19 vaccine to continue to use the Vaccine Pass
- the number of attendees may be limited to ensure appropriate social distancing and may be admitted into the AGM venue on a first-come-first-served basis
- no distribution of corporate gifts and refreshments

Any person who does not comply with the precautionary measures may be denied entry into the AGM venue. **The Company strongly recommends Shareholders to exercise their voting rights by appointing the Chairman of the Annual General Meeting as their proxy to vote on the resolutions at the Annual General Meeting as an alternative to attending the Annual General Meeting in person.**

This circular will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.hk for 7 days from the date of its posting and be posted on the Company's website at www.xyglass.com.hk

30 March 2022

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CHARACTERISTICS OF GEM

CHARACTERISTICS OF GEM OF 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.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the ongoing Novel Coronavirus (COVID-19) epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the Annual General Meeting to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the AGM venue or be required to leave the AGM venue;
- (ii) All Shareholders, proxies and other attendees are required to complete and submit at the entrance of the AGM venue a declaration from confirming their names and contact details, and confirming that they have not travelled to, or to their best of knowledge had physical contact with any person who has recently travelled to any countries or areas outside of Hong Kong (as per guidelines issued by the Hong Kong government at www.chp.gov.hk) at any time in the preceding 14 days. Any person who does not comply with this requirement may be denied entry into the AGM venue or be required to leave the AGM venue;
- (iii) Attendees must wear surgical face masks inside the AGM venue at all times, and maintain a safe distance between seats. Any person who does not comply with this requirement may be denied entry into the AGM venue or be required to leave the AGM venue;
- (iv) Attendees must scan the LHS venue QR code using the LHS Mobile App before entering the AGM venue. For those attendees who are (i) aged 65 or above and aged 15 or below; (ii) with disability; or (iii) recognised by the HKSAR Government or organisation(s) authorised by the HKSAR Government may fill in a specified form as an alternative to the use of the LHS Mobile App;
- (v) The Vaccine Pass is applicable to the Annual General Meeting. Attendees aged 18 or above are required to receive at least two doses of COVID-19 vaccine to continue to use the Vaccine Pass, except the holders of the COVID-19 Vaccination Medical Exemption Certificate (Exemption Certificate). All attendees are required to carry an electronic version or a paper copy of their COVID-19 vaccination record or Exemption Certificate;
- (vi) Following the Hong Kong Government's regulation, the number of attendees inside the AGM venue, who will be physically attending the Annual General Meeting, may be limited. Shareholders and/or their proxies may be admitted into the AGM venue on a first-come-first-served basis; and
- (vii) No refreshments will be served, and there will be no corporate gifts.

To the extent permitted under law, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the safety of the attendees at the Annual General Meeting.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Subject to the development of COVID-19, the Company may be required to change the Annual General Meeting arrangements at short notice. Shareholders should check the websites of the Company (www.xyglass.com.hk) and the Stock Exchange (www.hkexnews.hk) for further announcements and updates on the Annual General Meeting arrangements.

In the interest of all stakeholders health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. **The Company strongly recommends Shareholders to exercise their voting rights, by using form of proxy with voting instruction inserted, appoint the Chairman of the Annual General Meeting as their proxy to vote on the resolutions at the Annual General Meeting as an alternative to attending the Annual General Meeting in person.**

The form of proxy is attached to this circular. Alternatively, the form of proxy can be downloaded from websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.xyglass.com.hk). If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

If Shareholders choosing not to attend the Annual General Meeting in person have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the Company via our Investor Relations Department as follows:

Investor Relations Department
Email: ir@xyglass.com.hk
Tel: (852) 3919 2888
Fax: (852) 3919 2813

If Shareholders have any questions relating to the Annual General Meeting, please contact Computershare Hong Kong Investor Services Limited, the Company's Branch Share Registrar in Hong Kong as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre 183 Queen's Road East
Wanchai, Hong Kong
Enquiries: www.computershare.com/hk/en/online_feedback
Tel: (852) 2862 8555
Fax: (852) 2865 0990

DEFINITIONS

In this circular, unless the context otherwise requires, the following terms and expressions shall have the following meanings:

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at 21/F, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Thursday, 2 June 2022 at 11:45 a.m. or any adjournment thereof (as the case may be);
“Articles”	the articles of association of the Company;
“Board”	the board of Directors;
“Branch Share Registrar”	the branch share registrar in Hong Kong of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong;
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended from time to time;
“Company”	Xinyi Electric Storage Holdings Limited (信義儲電控股有限公司), a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the GEM (stock code: 08328);
“Controlling Shareholders”	has the meaning ascribed to it under the GEM Listing Rules and, in the context of this circular, means the controlling shareholders (as such term is defined under the GEM Listing Rules) of the Company, namely Dr. LEE Yin Yee, B.B.S., Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai <i>P.S.M., D.M.S.M., J.P.</i> , Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. NG Ngan Ho, Mr. LI Man Yin, Mr. SZE Nang Sze, Mr. LI Ching Leung and their respective controlled corporations;
“core connected persons”	has the meaning ascribed to it under the GEM Listing Rules;
“Directors”	the directors of the Company;
“GEM”	GEM operated by the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares not exceeding 20% of the total number of the Shares in issue as of the date of passing the relevant resolution approving the said mandate;
“Latest Practicable Date”	24 March 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) and which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM;
“Nomination Committee”	the nomination committee of the Company;
“Notice”	the notice dated 30 March 2022 convening the Annual General Meeting as set forth in appendix III to this circular;
“PRC”	The People’s Republic of China;
“Register of Members”	the register of members of the Company;
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors to exercise the powers of the Company to purchase Shares up to a maximum of 10% of the total number of the Shares in issue as of the date of passing of the relevant resolution approving the said mandate;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) of HK\$0.01 each in the issued share capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Takeovers Codes”

The Codes on Takeovers and Mergers and Share Buy-backs;
and

“%”

per cent.

EXPECTED TIMETABLE

Despatch of this circular and the Notice Wednesday, 30 March 2022

Latest time for lodging transfer forms of Shares to
qualify for entitlements to attend and vote at the
Annual General Meeting 4:30 p.m. on Friday, 27 May 2022

Closure of Register of Members for purpose of
Annual General Meeting (both days inclusive). from Monday, 30 May 2022 to
Thursday, 2 June 2022

Latest time for lodging forms of proxy for the Annual
General Meeting (in any event not less than 48
hours before the time appointed for holding the
Annual General Meeting or any adjournment
thereof) before 11:45 a.m. on Tuesday, 31 May 2022

Date and time of the Annual General Meeting 11:45 a.m. on Thursday, 2 June 2022

Notes:

1. All dates and time set forth in this circular refer to Hong Kong dates and time.
2. Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate and in accordance with the GEM Listing Rules.

LETTER FROM THE BOARD

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)

Executive Directors:

Mr. NG Ngan Ho

Ms. LI Pik Yung

Non-executive Directors:

Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M, J.P.*

(Chairman)

Mr. LEE Shing Kan

Independent Non-executive Directors:

Mr. WANG Guisheng

Mr. NG Wai Hung

Mr. CHAN Hak Kan, *S.B.S., J.P.*

Registered office:

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman, KY1-1108

Cayman Islands

*Head office and principal place of
business:*

Unit 2116-2117

21/F, Rykadan Capital Tower

135 Hoi Bun Road

Kwun Tong

Kowloon

Hong Kong

30 March 2022

To the Shareholders:

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you information on the following resolutions proposed to be tabled at the Annual General Meeting, so as to enable you to make an informed decision on the resolutions at the Annual General Meeting.

The resolutions include (i) the grant of the Repurchase Mandate, (ii) the grant of the Issue Mandate, (iii) the extension of the Issue Mandate, and (iv) the re-election of retiring Directors.

LETTER FROM THE BOARD

REPURCHASE MANDATE

On 28 May 2021, an ordinary resolution was passed by the Shareholders to give a general mandate to the Directors to exercise the powers of the Company to repurchase its own Shares. Such general mandate will lapse at the conclusion of the Annual General Meeting.

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase Shares subject to the criteria set forth in this circular. In particular, you should note that the maximum number of Shares that may be repurchased pursuant to the Repurchase Mandate will be such number which represents 10% of the total number of the Shares in issue as of the date of passing of the resolution, subject to the requirements of the GEM Listing Rules. The Repurchase Mandate will be end on the earliest of the date of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by any applicable laws or the Articles and the date upon which such authority is revoked or varied by ordinary resolution of the Shareholders in general meeting.

In accordance with the GEM Listing Rules, the Company is required to send to the Shareholders an explanatory statement, which is set forth in appendix I to this circular.

ISSUE MANDATE

On 28 May 2021, an ordinary resolution was passed by the Shareholders to give a general mandate to the Directors to allot, issue and deal with Shares. Such general mandate will lapse at the conclusion of the Annual General Meeting.

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to allot, issue and deal with further Shares or to grant any offers, agreements or options which would or might require Shares to be issued, allotted or disposed of, representing up to 20% of the total number of the Shares in issue as of the date of passing of the resolution. As of the Latest Practicable Date, the total number of the Shares in issue was 713,367,788.38 and they were all fully paid up. Assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date to the date of passing the aforesaid resolution, the maximum number of Shares which may be issued pursuant to the aforesaid general and unconditional mandate on the date of passing the aforesaid resolution will be 142,673,558 Shares.

Subject to the passing of the aforesaid ordinary resolutions of the Repurchase Mandate and the Issue Mandate, a separate ordinary resolution will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the Issue Mandate by adding to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Issue Mandate the number of Shares purchased under the Repurchase Mandate, if granted.

LETTER FROM THE BOARD

The full text of the three resolutions to be proposed at the Annual General Meeting as referred to above are set forth in resolution no. 4A (the Repurchase Mandate), resolution no. 4B (the Issue Mandate) and resolution no. 4C (the extension of the Issue Mandate) in the Notice to this circular.

The aforesaid mandates, unless revoked or varied by way of ordinary resolutions of the Shareholders in general meeting, will expire at the conclusion of the next annual general meeting of the Company.

In accordance with the requirements set forth in the GEM Listing Rules, the Company is required to send to its Shareholders an explanatory statement containing requisite information to consider the Repurchase Mandate subject to certain restrictions, which are set forth in appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 108 of the Articles, Mr. LEE Shing Kan, Mr. WANG Guisheng and Mr. NG Wai Hung will retire from office by rotation at the Annual General Meeting. All of the above Directors, being eligible, have offered themselves for re-election at the Annual General Meeting.

Mr. WANG Guisheng and Mr. NG Wai Hung, are holding other listed company directorship as set forth in their biographical information set forth in appendix II to this circular, have confirmed their independence with reference to the factors set forth in rule 5.09 of the GEM Listing Rules. The Nomination Committee has reviewed the composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skill and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set forth in the Company's board diversity policy and the Company's corporate strategy, and the independence of Mr. WANG Guisheng and Mr. NG Wai Hung. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors including the aforesaid independent non-executive Directors who are due to retire at the Annual General Meeting. The Board accepted the recommendations made by the Nomination Committee and considers that Mr. WANG Guisheng and Mr. NG Wai Hung are independent in accordance with the independence guidelines set forth in the GEM Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity. The Board, therefore, considers them to be independent and believes that they should be re-elected.

Particulars of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are set forth in appendix II to this circular.

ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set forth in appendix III to this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the grant of the Repurchase Mandate, the grant of the Issue Mandate, the extension of the Issue Mandate and the re-election of the retiring Directors. The Annual General Meeting will be held at 21/F, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, on Thursday, 2 June 2022, at 11:45 a.m..

LETTER FROM THE BOARD

PROXY ARRANGEMENT

A form of proxy for the Annual General Meeting is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, at the Branch Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the Annual General Meeting (i.e. not later than Tuesday, 31 May 2022 at 11:45 a.m. (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Monday, 30 May 2022 to Thursday, 2 June 2022 (both days inclusive), during which period no transfer of Shares will be registered. In order to determine the entitlement to attend and vote at the Annual General Meeting, all share transfer documents accompanied by the relevant share certificates, must be lodged with the Branch Share Registrar at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 27 May 2022.

VOTING BY WAY OF A POLL

According to rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, poll voting for all proposed resolutions of the Company will be proceeded with at the Annual General Meeting.

The poll results will be published on the Stock Exchange's website and the Company's website after the conclusion of the Annual General Meeting.

RECOMMENDATION

The Board is of the opinion that the grant of the Repurchase Mandate and the Issue Mandate, the extension of the Issue Mandate and the proposed re-election of the retiring Directors are in the best interest of the Company and the Shareholders as a whole and accordingly recommend all the Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

GENERAL INFORMATION

Your attention is drawn to the additional information set forth in the appendices to this circular. The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

This appendix contains particulars that are required by the GEM Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions to be proposed at the Annual General Meeting in relation to the Repurchase Mandate pursuant to rule 13.08 of the GEM Listing Rules.

PROPOSED SHARE REPURCHASE MANDATE

It is proposed that the Directors be granted the Repurchase Mandate such that they may exercise the powers of the Company to repurchase up to 10% of the total number of the Shares in issue as of the date of passing of the relevant resolution.

As of the Latest Practicable Date, the total number of Shares in issue was 713,367,788.38 Shares and they were all fully paid up. Accordingly, the exercise of the Repurchase Mandate in full (being the repurchase of 10% of the total number of the Shares in issue as of the date of the passing of the resolution to approve the Repurchase Mandate) would enable the Company to repurchase a maximum of 71,336,778 Shares (assuming no Share is issued or repurchased after the Latest Practicable Date and up to the date of the passing of the relevant resolution).

REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, the Directors believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value for each Share and/or earnings for each Share. Shareholders can be assured that the Directors would only make such purchases in circumstances where they consider them to be in the best interests of the Company.

FUNDING OF REPURCHASES

In making repurchases, the Company proposes to apply funds legally available for such purpose in accordance with its memorandum of association, the Articles, the GEM Listing Rules and the Companies Law. Under the Companies Law, Shares repurchased by the Company may only be paid out of profits or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by its memorandum of association, the Articles and subject to the Companies Law, out of capital. Any premium payable on share repurchases may only be paid out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the Companies Law, out of capital. In accordance with the Companies Law, the Shares so repurchased would remain part of the authorised but unissued share capital of the Company.

IMPACT OF REPURCHASE

On the basis of the consolidated financial position of the Company as of 31 December 2021 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital position and the gearing position of the Company in the event that the Repurchase Mandate was to be exercised in full. No repurchase would be made by the Company in circumstances that would have a material adverse impact on the working capital position or gearing position of the Company (as compared with the position disclosed in the latest published audited financial statements).

PRICE OF SHARES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

	Share price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
April	5.590	4.530
May	5.420	4.130
June	5.580	4.700
July	6.680	4.600
August	8.000	6.000
September	6.860	5.000
October	5.130	4.330
November	4.450	3.695
December	5.340	3.730
2022		
January	4.450	3.700
February	4.550	3.920
March (up to the Latest Practicable Date)	4.350	3.650

UNDERTAKING

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates has any present intention to sell any Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders.

As of the Latest Practicable Date, none of the core connected persons of the Company has notified the Company that he/she/it has a present intention to sell his/her/its Shares to the Company or its subsidiaries, nor has he/she/it undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum of association of the Company, the Articles and the Companies Law.

TAKEOVERS CODES

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of rule 32 of the Takeovers Codes. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Codes.

Pursuant to a shareholders' agreement among the Controlling Shareholders dated 25 June 2016, in the event that any of the Controlling Shareholder(s) wish(es) to dispose of the Shares held by him/them as of the listing date of the Company, each of the other Controlling Shareholder(s) shall have a pre-emption right to purchase such Shares. As of the Latest Practicable Date, the Controlling Shareholders, being parties acting in concert as a result of the shareholders' agreement mentioned above, held approximately 509,369,293 Shares, representing approximately 71.40% of the total number of the Shares in issue.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted, then (if the present shareholdings otherwise remained the same) the equity interests in the Company held by the Controlling Shareholders would increase to approximately to 79.34% of the total number of the Shares in issue. Share repurchases in the said case will not give rise to an obligation to make a mandatory offer under rule 26 of the Takeovers Codes but will reduce the amount of Shares held by the public to below 25% of the total number of Shares in issue.

APPENDIX I EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

The Directors have no intention to exercise the Repurchase Mandate to such extent as would result in the amount of Shares being held by the public to fall below 25% of the total number of Shares in issue nor to the extent that would result in an obligation to make a mandatory offer under rule 26 of the Takeovers Codes. Save as the above, the Directors are not aware of any consequences which would arise under the Takeovers Codes as a consequence of any repurchases pursuant to the Repurchase Mandate.

SHARE REPURCHASES MADE BY THE COMPANY

There was no repurchase by the Company, or any of its subsidiaries, of any listed securities of the Company during the six months prior to the Latest Practicable Date.

APPENDIX II INFORMATION OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Set forth below is a summary of the biographical information on the retiring Directors proposed to be re-elected at the Annual General Meeting. Mr. LEE Shing Kan, Mr. WANG Guisheng and Mr. NG Wai Hung will retire by rotation in accordance with article 108 of the Articles.

Non-Executive Director

Mr. LEE Shing Kan, aged 42, is the non-executive Director. Mr. LEE Shing Kan joined the Group since April 2004. Mr. LEE Shing Kan has been working in Xinyi Glass Holdings Limited (“Xinyi Glass”), a company listed on the Main Board of the Stock Exchange (stock code: 00868), for over 16 years. Mr. LEE Shing Kan is currently an executive director of Xinyi Glass and is responsible for overseeing the automobile glass business segment of Xinyi Glass. Mr. LEE Shing Kan holds a bachelor’s degree in commerce from the University of Melbourne and a master’s degree in applied finance from Monash University. Mr. LEE Shing Kan is a committee member of the Fujian Province Committee of Chinese People’s Political Consultative Conference and the chief supervisor of the Federation of HK Sichuan Community Organisations. Mr. LEE Shing Kan was a director of Tung Wah Group of Hospitals from 2012 to 2014. Mr. LEE Shing Kan has been the executive committee member and the vice chairman of the Lok Sin Tong Benevolent Society, Kowloon since April 2018 and April 2020 respectively. Mr. LEE Shing Kan is a nephew of Tan Sri Datuk TUNG Ching Sai, J.P., a non-executive Director and one of the Controlling Shareholders, and a cousin of Ms. LI Pik Yung, an executive Director. Mr. LEE Shing Kan is the son of Dr. LEE Yin Yee, B.B.S., one of the Controlling Shareholders.

Save as disclosed above, Mr. LEE Shing Kan has no relationship with any Directors, senior management or substantial shareholders (as defined in the GEM Listing Rules) or Controlling Shareholders of the Company.

Save as disclosed above, Mr. LEE Shing Kan has not held (i) any position with the Company and other members of the Group (except for being a director of various subsidiaries of the Company); and (ii) any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Independent Non-Executive Directors

Mr. WANG Guisheng, aged 52, is the independent non-executive Director since June 2016. Mr. WANG Guisheng obtained a master’s degree in business administration from China Europe International Business School in August 2014. Mr. WANG Guisheng is qualified as Certified Public Accountant with the Chinese Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and has been a member of the Association of Chartered Certified Accountants of England since April 2003. Mr. WANG was an independent director of Sunshine Global Circuits Co., Ltd. (stock code: 300739), a company listed on the Shenzhen Stock Exchange from January 2016 to February 2022. Currently, Mr. WANG Guisheng is an executive director, chief financial officer and joint company secretary of Smoore International Holdings Limited (stock code: 06969), a company listed on the Main Board of the Stock Exchange.

APPENDIX II INFORMATION OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Save as disclosed above, Mr. WANG Guisheng has no relationship with any Directors, senior management or substantial shareholders (as defined in the GEM Listing Rules) or Controlling Shareholders of the Company.

Save as disclosed above, Mr. WANG Guisheng has not held (i) any position with the Company and other members of the Group; and (ii) any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. NG Wai Hung, aged 58, is the independent non-executive Director since June 2016. Mr. NG Wai Hung graduated from the University of Hong Kong with a bachelor's degree in laws in 1987. Mr. NG Wai Hung is a practising solicitor and a partner in Iu, Lai & Li, a Hong Kong firm of solicitors. Mr. NG Wai Hung practices in the areas of securities law, corporate law and commercial law in Hong Kong. Currently, Mr. NG Wai Hung is an independent non-executive director of Lajin Entertainment Network Group Limited (stock code: 08172), 1957 & Co. (Hospitality) Limited (stock code: 08495), both of them are listed on the GEM of the Stock Exchange, and Winshine Science Company Limited (stock code: 00209), a company listed on the Main Board of the Stock Exchange, and a non-executive director of Coolpad Group Limited (stock code: 02369), a company listed on the Main Board of the Stock Exchange.

Save as disclosed above, Mr. NG Wai Hung has no relationship with any Directors, senior management or substantial shareholders (as defined in the GEM Listing Rules) or Controlling Shareholders of the Company.

Save as disclosed above, Mr. NG Wai Hung has not held (i) any position with the Company and other members of the Group; and (ii) any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

FURTHER INFORMATION ON THE RETIRING DIRECTORS

Disclosure of interests

Save as disclosed above, so far as the Directors are aware as of the Latest Practicable Date, Mr. LEE Shing Kan, Mr. WANG Guisheng and Mr. NG Wai Hung do not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Particulars of letter of appointment of non-executive Director

Mr. LEE Shing Kan entered into letter of appointment with us. Particulars of the letter of appointment, except as indicated, are in all material respects identical and summarised below:-

- (i) the letter of appointment is for a term of three years commencing from 11 July 2019, and shall continue thereafter until terminated in accordance with the terms of the agreement. Under the agreement, either party may terminate the agreement at any time by giving the other not less than 3 months' prior written notice; and

**APPENDIX II INFORMATION OF THE RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

- (ii) the non-executive Director shall not be entitled to any annual director's fee from the Group.

Policy on non-executive Directors' emolument

The non-executive Director shall not be entitled to any annual director's fee.

Particulars of letters of appointment of independent non-executive Directors

Mr. WANG Guisheng and Mr. NG Wai Hung were entered into letter of appointment with us. Particulars of the letter of appointment, except as indicated, are in all material respects identical and are summarised below:-

- (i) the letter of appointment is for a term of three years commencing from 11 July 2019, shall continue thereafter until terminated in accordance with the terms of the agreement. Under the agreement, either party may terminate the agreement at any time by giving to the other not less than 3 months' prior written notice; and
- (ii) save for the remuneration of HK\$180,000 for the independent non-executive Director in 2021, the independent non-executive Director did not receive other emoluments (including bonus payments, whether fixed or discretionary in nature) from the Group.

Policy on independent non-executive Directors' emoluments

Emoluments of the independent non-executive Directors are determined with reference to the duties and responsibilities of the independent non-executive Directors, and their mutual agreement with the Company.

Other information

Save as disclosed above, there are no other matters concerning the retiring Directors that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to the requirements of rule 17.50(2) of the GEM Listing Rules.

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Annual General Meeting**”) of Xinyi Electric Storage Holdings Limited (the “**Company**”) will be held at 21/F, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, on Thursday, 2 June 2022, at 11:45 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and consider the audited financial statements and the reports of the directors (the “**Directors**”) of the Company and the auditor (the “**Auditor**”) of the Company for the financial year ended 31 December 2021.
2. (A) (i) To re-elect Mr. LEE Shing Kan as a non-executive Director.

(ii) To re-elect Mr. WANG Guisheng as an independent non-executive Director.

(iii) To re-elect Mr. NG Wai Hung as an independent non-executive Director.

(B) To authorise the board (the “**Board**”) of Directors to determine the remuneration of the Directors.
3. To re-appoint the Auditor and authorise the Board to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions of the Company:-
 - 4A. “**THAT**:-
 - (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase issued shares of the Company of HK\$0.01 each (the “**Shares**”) on GEM of the Stock Exchange or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, the memorandum and articles of association of the Company (the “**Articles**”) and requirements of the GEM Listing Rules, as amended from time to time be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) shall be in addition to any other authorisations given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as defined in paragraph (d) below) to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) the number of Shares to be repurchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of the Shares in issue as of the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:-

- (i) the conclusion of the next annual general meeting of the Company; or*
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles to be held; or*
- (iii) the date upon which the authority set forth in this resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in general meeting.”*

4B. **“THAT:-**

- (a) subject to paragraph (c) below and pursuant to the GEM Listing Rules, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and otherwise deal with additional Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above, shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements, options (including bonds, warrants, debentures and other securities convertible into Shares) and rights of exchange or conversion which would or might require the exercise of such powers during or after the end of the Relevant Period (as defined in paragraph (d) below);

- (c) the aggregate number of the Shares allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraphs (a) and (b) above, otherwise than pursuant to (i) a rights issue (as defined in paragraph (d) below), or (ii) the exercise of any options granted under the share option schemes or similar arrangement for the time being adopted or to be adopted for the grant or issue to officers and/or employees of the Company and/or its subsidiaries, of options to subscribe for, or rights to acquire Shares of the Company approved by the Stock Exchange, or (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the Articles, shall not exceed 20% of the total number of the Shares in issue as of the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:-

“Relevant Period” shall have the same meaning as ascribed to it under the resolution set forth in paragraph 4A(d) above; and

“Rights issue” means the allotment, issue or grant of Shares open for a period fixed by the Directors to holders of the Shares or any class of shares thereof on the register of members on a fixed record date in proportion to their then holdings of such Shares or of such class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

4C. **“THAT:-**

conditional upon the passing of resolutions nos. 4A and 4B, the general mandate granted to the Directors pursuant to resolution no. 4B be and is hereby extended by the addition thereto of an amount representing the aggregate number of Shares which may be repurchased by the Company under the authority granted pursuant to the resolution no. 4A above, **PROVIDED THAT** such amount shall not exceed 10% of the total number of the Shares in issue as of the date of passing of this resolution.”

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, 30 March 2022

Notes:

1. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his or her or its proxy to attend and vote instead of him or her or it. A member may appoint a proxy in respect of only part of his or her or its holding of Shares. A proxy need not be a shareholder of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his or her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
3. The instrument appointing a proxy and (if required by the board of Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting (i.e. not later than Tuesday, 31 May 2022 at 11:45 a.m. (Hong Kong time)) or adjourned annual general meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
4. Delivery of an instrument appointing a proxy shall not preclude a shareholder of the Company from attending and voting in person at the Annual General Meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any Share any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Annual General Meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
6. The register of members of the Company will be closed from Monday, 30 May 2022 to Thursday, 2 June 2022 (both days inclusive), during such period no transfer of the Shares will be effected. In order to determine the entitlement to attend and vote at the Annual General Meeting, all share transfers documents accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 27 May 2022.
7. As of the date of this notice, 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 circular, 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 circular 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 circular misleading.

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of posting and on the Company’s website at www.xyglass.com.hk.