

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 a 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 in XIN YUAN ENTERPRISES GROUP LIMITED, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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XIN YUAN ENTERPRISES GROUP LIMITED

信源企業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1748)

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

A notice convening the AGM of XIN YUAN ENTERPRISES GROUP LIMITED to be held at Units 5906–12, 59/F, The Center, 99 Queen's Road Central, Hong Kong on Thursday, 17 June 2021 at 10:00 a.m., at which, among other things, the above proposals will be considered, which set out on pages 15 to 18 of this circular.

Whether or not you intend to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE AGM

To safeguard the health and safety of the Shareholders, the Company will implement the following precautionary measures at the AGM to prevent the spreading of the COVID-19:

- (1) Compulsory body temperature checks will be conducted for every 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 and be requested to leave the AGM venue;
- (2) Every attendee will be required to wear surgical facial mask throughout the AGM and maintain a safe distance between seats. Please note that no masks will be provided at the AGM venue and attendees should wear their own masks; and
- (3) The Company will not provide refreshments and will not distribute corporate gifts.

Any person who does not comply with the precautionary measures may be denied entry into the AGM venue. In light of the continuing risks posed by the COVID-19, the Company encourages the Shareholders to consider appointing the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.

21 April 2021

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RESPONSIBILITY STATEMENT

This circular, for which the Directors (as defined herein) collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to the Company. The Directors (as defined herein), 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.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at Units 5906–12, 59/F, The Center, 99 Queen’s Road Central, Hong Kong on Thursday, 17 June 2021 at 10:00 a.m., notice of which is set out on pages 15 to 18 of this circular and any adjournment thereof
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Company”	XIN YUAN ENTERPRISES GROUP LIMITED, an exempted company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1748)
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as revised) of the Cayman Islands, as amended, consolidated or otherwise modified from time to time
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuing Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares of up to 20% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate and adding thereto any Shares representing the aggregate number of Shares repurchased by the Company pursuant to the authority granted under the Repurchase Mandate
“Latest Practicable Date”	15 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee of the Company

DEFINITIONS

“Repurchase Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to repurchase such number of issued and fully paid Shares of up to 10% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs, as amended, supplemented or otherwise modified from time to time
“HK\$” and “cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD



XIN YUAN ENTERPRISES GROUP LIMITED

信源企業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1748)

Executive Directors

Mr. Wang Faqing (*Chairman*)
Mr. Xu Wenjun (*Chief executive officer*)
Mr. Ding Yuzhao
Mr. Chen Ming
Mr. Lin Shifeng

Registered Office

P.O. Box 31119
Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

Independent Non-executive Directors

Dr. Lai Guanrong
Mr. Suen Chi Wai
Mr. Xu Jie

Principal place of business

in Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

21 April 2021

To Shareholder(s)

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES,
AND
RE-ELECTION OF DIRECTORS**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM to seek approval of the Shareholders in respect of, among other matters, (i) the granting to the Directors the Issuing Mandate and the Repurchase Mandate and (ii) the re-election of Directors.

LETTER FROM THE BOARD

GENERAL MANDATES

At the annual general meeting of the Company held on 19 June 2020, ordinary resolutions were passed to grant general mandates to the Directors (i) to allot, issue and deal in Shares not exceeding 20% of the total number of Shares in issue at the date of the passing of the relevant resolution; (ii) to repurchase Shares not exceeding 10% of the total number of Shares in issue at the date of the passing of the relevant resolution; and (iii) to extend the general mandate mentioned in (i) above by the additional of an amount representing the aggregate number of Shares repurchased by the Company pursuant to the mandate to repurchase Shares referred to (ii) above.

The above general mandates will continue in force until (i) the conclusion of the AGM; or (ii) the date by which the AGM is required by the Articles or any applicable law(s); or (iii) the revocation or variation by ordinary resolution of the Shareholders in general meeting, whichever occurs first. It is therefore proposed to seek your approval by way of ordinary resolutions to be proposed at the AGM to approve the Issuing Mandate and the Repurchase Mandate. The Directors wish to state that they have no immediate plan to issue any Shares or repurchase any Shares pursuant thereto. Please refer to resolutions numbered 4 to 6 set out in the notice of AGM on pages 15 to 18 of this circular for details of the proposed Issuing Mandate and Repurchase Mandate.

As at the Latest Practicable Date, the number of issued Shares of the Company was 440,000,000 Shares, assume no further Shares are to be issued or repurchased prior to the AGM, the Issuing Mandate will grant to the Directors an authority to issue up to 88,000,000 Shares.

EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix I to this circular. The explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate at the AGM.

RE-ELECTION OF DIRECTORS

In accordance with article 108(a) of the Articles, Mr. Ding Yuzhao and Mr. Suen Chi Wai will retire and, being eligible, offer themselves for re-election at the AGM.

In accordance with article 112 of the Articles, Mr. Chen Ming and Mr. Lin Shifeng will retire and, being eligible, offer themselves for re-election at the AGM.

Details of the above-mentioned Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

LETTER FROM THE BOARD

PROCEDURE AND PROCESS FOR NOMINATION OF DIRECTORS

The Nomination Committee will recommend to the Board for the appointment of a Director including an independent non-executive Director in accordance with the following selection criteria and nomination procedures:

- (a) identify individuals who are suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, having due regard to the Company's Board diversity policy, the requirements in the Company's constitution, the Listing Rules and applicable laws and regulations, and the relevant candidates' contributions to the Board in terms of qualifications, skills, experiences, independence and gender diversity;
- (b) assess the independence of independent non-executive Directors to determine their eligibility with reference to the factors set out in Rule 3.13 of the Listing Rules and any other factors deemed appropriate by the Nomination Committee or the Board. If a proposed independent non-executive Director will be holding their seventh (or more) listed company directorship, to assess his/her ability to devote sufficient time to the Board matters; and
- (c) develop the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship, including but not limited to evaluating the balance of skills, knowledge and experience on the Board, and in the light of this evaluation prepared a description of the role and capabilities required for a particular appointment.

RECOMMENDATION OF THE NOMINATION COMMITTEE

The Nomination Committee has considered Mr. Ding Yuzhao's and Mr. Suen Chi Wai's extensive experience in shipping industry and finance field respectively, Mr. Chen Ming's experience in corporate governance and Mr. Lin Shifeng's experience in finance sector, their working profiles and other experience and factors as set out in their biographical details in Appendix II to this circular. The Nomination Committee is satisfied that Mr. Ding Yuzhao, Mr. Chen Ming, Mr. Lin Shifeng and Mr. Suen Chi Wai have the required character, integrity and experience to continuously fulfil their roles as executive Directors and an independent non-executive Director, respectively and effectively and their appointments will contribute to the diversity (in particular in terms of skills) of the Board. The Board also assessed and reviewed the annual confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules of Mr. Suen Chi Wai, and was satisfied with his independence. The Board believed that their re-elections as Director would be in the best interests of the Company and its Shareholders as a whole.

ANNUAL GENERAL MEETING

Set out on pages 15 to 18 of this circular is a notice convening the AGM to consider and, if appropriate, to approve, among others, the ordinary resolutions relating to the proposals for the granting of the Issuing Mandate and the Repurchase Mandate and the re-election of Directors.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed herewith. If you are not able to attend and/or vote at the AGM in person, you are requested to complete the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted by a show of hands. Accordingly, each of the resolutions put to vote at the AGM will be taken by way of poll.

RECOMMENDATION

The Board considers that the ordinary resolutions in relation to the granting of the Issuing Mandate and the Repurchase Mandate, and the re-election of Directors to be proposed at the AGM are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of such resolutions at the AGM.

GENERAL

Your attention is also drawn to the appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
By order of the Board
XIN YUAN ENTERPRISES GROUP LIMITED
Wang Faqing
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 440,000,000 Shares. Subject to the passing of the ordinary resolution for repurchase of Shares and on the basis of that further new Shares will be issued or repurchased up to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 44,000,000 Shares, representing 10% of the existing issued Shares as at the Latest Practicable Date.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES OF SHARES

Any repurchase of securities of the Company would be funded entirely from the cash flow or working capital facilities available to the Company, and will, in any event be made out of funds legally available for the purpose in accordance with the Articles and the applicable laws of the Cayman Islands and the Listing Rules. Such funds include, but are not limited to, profits available for distribution. Purchases may only be effected out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorized by its Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorized by the Articles and subject to the provisions of the Companies Law, out of capital.

5. GENERAL

There might be a material adverse impact on the working capital or gearing position as compared with the position disclosed in the audited financial statements of the Company for the year ended 31 December 2020 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous 12 months and up to the Latest Practicable Date were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2020		
April	1.33	0.50
May	1.20	0.84
June	1.63	0.84
July	1.61	1.10
August	1.55	1.29
September	1.49	1.20
October	1.57	1.45
November	1.75	1.20
December	1.78	1.63
2021		
January	1.72	0.90
February	1.67	1.60
March	1.90	1.49
April (up to and including the Latest Practicable Date)	1.79	1.50

7. UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same 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 pursuant to the proposed resolution in accordance with the Listing Rules and the applicable laws of Cayman Islands.

8. CORE CONNECTED PERSON

No core connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. TAKEOVERS CODE AND MINIMUM PUBLIC SHAREHOLDING

If on exercise of the powers of repurchase 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 Code. 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 Code.

As at the Latest Practicable Date, Mr. Chen Maochun held 116,000,000 Shares through his indirect wholly-owned company, Universal International Technology (Hong Kong) Limited, representing approximately 26.36% of the total number of Shares in issue. In the event that the Directors exercised the Repurchase Mandate in full, the shareholding of Mr. Chen will be increased to approximately 29.29% of the total number of Shares in issue. To the best knowledge and belief of the Directors, such increase would not give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent that, under the circumstances, there would be insufficient public float as prescribed under the Listing Rules.

10. SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The following set out the details of the Directors who retire and, being eligible, will offer themselves for re-election at the AGM pursuant to the Articles.

Mr. Ding Yuzhao (丁玉釗先生), aged 66, is our executive Director. Mr. Ding has been a Director since 28 June 2016, being the date of incorporation of our Company. Mr. Ding has participated in the management of our Group since 1 February 2010 where he has been responsible for overseeing the overall operations and business development of our Group.

Mr. Ding has approximately ten years of relevant experience in the shipping industry. Prior to joining our Group, Mr. Ding worked as a deputy manager at Ningde District Power Company (寧德地區電力公司), a company principally engaged in providing technical support and construction for power systems from March 1990 to December 1991, where he was mainly responsible for providing technical support for power construction. From April 1994 to May 1997, Mr. Ding worked as a director and general manager at Fujian Muyang Creek Hydropower Development Co., Ltd. (福建省穆陽溪水電開發有限公司), a company principally engaged in hydropower construction, where he was mainly responsible for providing technical support for hydropower station development and construction. From May 1997 to August 2006, Mr. Ding served as the general manager of Mindong Power Investment Company Limited (閩東能源投資有限公司), which is principally engaged the business of power investment, where he was mainly responsible for overseeing investment in hydropower station and fossil-fuel power station.

From November 2003 to August 2006, Mr. Ding served as the general manager of Ningde City State-owned Asset Investment Company Limited (寧德市國有資產投資有限公司), a company principally engaged in investment, where he was mainly responsible for investment and operation of state-owned asset. From August 2006 to March 2010, Mr. Ding served as the chairman of Ningde City State-owned Properties Investment & Management Co., Ltd. (寧德市國有資產投資經營有限公司) and director of Ningde City State-owned Asset Supervision and Management Committee (寧德市國有資產監督管理委員會), both of which principally engaged the business of investment, where he was mainly responsible for investment and operation of state-owned asset. From July 2011 to September 2017, Mr. Ding served as the general manager at Fujian Haodeyuan Investment Co., Ltd. (福建昊德元投資有限公司), a company principally engaged in investment, where he was mainly responsible for investment in real estate business. From January 2016 until now, Mr. Ding served as the supervisor of Xiamen Tangram Science and Technology Co., Ltd. (廈門唐人科技股份有限公司), a company principally engages in information technology.

Mr. Ding received the Bachelor's degree from the electric engineering school of the Wuhan Institute of Hydraulic and Electric Engineering (武漢水利電力學院), currently known as School of Electrical Engineering and Automation, Wuhan University (武漢大學電氣與自動化學院) majoring in high-voltage electricity technology and equipment in September 1982. Mr. Ding was granted the qualification as a senior engineer in hydropower by the Department of Personnel of Fujian Province in July 1996.

Mr. Ding does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other directorships in other listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Ding is interested in 14,898,000 Shares held by Gigantic Path Limited, a company directly wholly-owned by Mr. Ding.

Mr. Ding has entered into a service contract with the Company for a term of three years commencing on 6 September 2018, which may be terminated by not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles. The director's fee of Mr. Ding as an executive Director is HK\$240,000 per annum. Such fee is subject to review from time to time.

Save as disclosed above, there are no other matters concerning Mr. Ding that are required to be brought to the attention of the Shareholders, nor is there other information that is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

Mr. Lin Shifeng (林世鋒先生), aged 44, was appointed as our executive Director on 25 March 2021, has been serving as the financial controller of the Company since July 2016. Mr. Lin has participated in the management of the Group since July 2016 where he has been primarily responsible for overseeing the financial planning and accounting management of the Group.

Mr. Lin has approximately twenty years of relevant experience in accounting and finance management, where he has spent approximately eighteen years in the shipping industry. Prior to joining the group, Mr. Lin worked as a financial supervisor at Fujian Wanfeng Shoes Co., Ltd* (福建萬豐鞋業有限公司), a company principally engaged in sports products production, from July 2000 to November 2003, where he was mainly responsible for cost accounting and difference analysis, data statistics and financial statement preparation.

From November 2003 to January 2006, Mr. Lin worked as an accountant at P&O NEDLLOYD (CHINA) Ltd. Fuzhou Branch (鐵行渣華(中國)船務有限公司福州分公司), a company principally engaged in shipping business, where he was mainly responsible for cost accounting and cost control.

From February 2006 to November 2007, Mr. Lin worked as an assistant accountant and cost manager at Maersk Logistics (China) Co., Ltd., a company principally engaged in container shipping, where he was mainly responsible for registering and controlling operational cost and assisting payment center to arrange operational payment.

From November 2007 to January 2015, Mr. Lin served as a financial officer at CMA CGM (China) Shipping Co.,Ltd. Fuzhou Branch (達飛輪船(中國)有限公司福州分公司), a company principally engaged in container transportation, where he was mainly responsible for accounting management and accounting principal setting up.

* for identification purposes only

Mr. Lin served as the finance manager of Jincheng Hengtong from March 2015 until April 2016 and as the financial controller from July 2016 until November 2017, where he was mainly responsible for accounting management.

From April 2016 to June 2016, Mr. Lin served as a finance manager at Air Liquide (Fuzhou) Co., Ltd* (液化空氣(福州)有限公司), a company principally engaged in the supplying of industrial gases and services, where he was mainly responsible for accounting management and accounting principal setting up.

Mr. Lin graduated from Changchun University of Science and Technology (長春理工大學), formerly known as Changchun Institute of Optics and Precision Instruments (長春光學精密器械學院) and received a bachelor's degree in accounting in July 2000. Mr. Lin obtained the certificate for passing all the required subjects of the professional stage of the national uniform CPA Examination of P.R.China (註冊會計師全國統一考試專業階段考試合格證) issued by the Certified Public Accountant Examination Committee of The Ministry of Finance, P.R.China (財政部註冊會計師考試委員會) in December 2018.

As at the Latest Practicable Date, Mr. Lin holds in a total of 17,478,000 Shares, representing approximately 3.97% of the share interest in the Company through his wholly owned company named Profit Source HK Trading Limited.

Save as disclosed above, Mr. Lin does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other directorships in other listed public companies in the last three years.

Mr. Lin has entered into a service contract with the Company for an initial term of three years commencing on 25 March 2021, which is automatically renewable for one year after the expiry of the initial term until termination in accordance with the provisions under the service contract. The service contract may be terminated by either party by giving three months' written notice. Under the service contract, Mr. Lin is entitled to a director's fee of RMB600,000 per annum which is determined with reference to his experience, duties and responsibilities within the Company.

Save as disclosed above, there are no other matters concerning Mr. Lin that are required to be brought to the attention of the Shareholders, nor is there other information that is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

Mr. Chen Ming(陳銘先生), aged 25 years old, was appointed as an executive Director on 25 March 2021. He has approximately 2 years of experience in corporate governance. From September 2018 to October 2020, Mr. Chen worked in Xinhua Fortune Group Company Limited* (興華財富集團有限公司) (a company primarily engaged in Iron and steel, e-commerce, agriculture, real estate, tourism and other industries coordinated development) as the assistant to the chairman, responsible for assisting the chairman of the board to call and preside over the general meeting of the management, organising the discussion of the company's development plan, operation policy, annual plan and major issues in daily operation.

Mr. Chen is the son of Mr. Chen Mao Chun, who held in a total of 116,000,000 Shares, representing approximately 26.36% of the share interest in the Company through his wholly owned company named UNIVERSAL INTERNATIONAL TECHNOLOGY (HONG KONG) LIMITED (環宇國際科技(香港)有限公司). Mr. Chen graduated from Beijing Sport University (北京體育大學) and received a bachelor's degree in Sports Economics And Management in July 2018.

Save as disclosed above, Mr. Chen does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other directorships in other listed public companies in the last three years. As at the Latest Practicable Date, Mr. Chen did not have any interests in Shares within the meaning of Part XV of the SFO.

Mr. Chen has entered into a service contract with the Company for an initial term of three years commencing on 25 March 2021, which is automatically renewable for one year after the expiry of the initial term until termination in accordance with the provisions under the service contract. The service contract may be terminated by either party by giving three months' written notice. Under the service contract, Mr. Chen is entitled to a director's fee of RMB600,000 per annum which is determined with reference to his experience, duties and responsibilities within the Company.

Save as disclosed above, there are no other matters concerning Mr. Chen that are required to be brought to the attention of the Shareholders, nor is there other information that is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

Mr. Suen Chi Wai (孫志偉先生), aged 56, has been our independent non-executive Director since 6 September 2018. He is a practising solicitor in Hong Kong and a partner of Withers. Mr. Suen has approximately nineteen years' experience in corporate finance and with area of practice principally in initial public offerings on the Stock Exchange, mergers and acquisitions, corporate reorganisations and Listing Rules compliance.

Before joining Withers, Mr. Suen was an associate and later a partner of DLA Piper Hong Kong from June 2007 to May 2012 and May 2012 to February 2018 respectively, and served as a manager in the investment products department of the SFC between October 2005 and July 2006, responsible for reviewing applications of collective investment schemes and monitoring continuing compliance of authorized schemes. Mr. Suen was an assistant solicitor at Woo

* for identification purposes only

Kwan Lee & Lo from September 2000 to March 2005. Mr. Suen was appointed as an independent non-executive director of Da Yu Financial Holdings Limited (Stock Exchange stock code: 01073), a company principally engaged in provision of corporate finance advisory services and asset management services on 26 July 2019; and Venus Medtech (Hangzhou) Inc. (Stock Exchange stock code: 02500), a company principally engaged in transcatheter heart valve medical device business on 8 July 2019 respectively.

Mr. Suen graduated from the University of East Anglia in July 1987 with a Bachelor of Science Degree and the Postgraduate Certificate in Laws program in the University of Hong Kong in June 1998. Mr. Suen was admitted as a solicitor in Hong Kong in October 2000 and in England and Wales in December 2003. Mr. Suen is also a fellow member of the Association of Chartered Certified Accountants since May 1998 and a certified public accountant of the Hong Kong Institute of Certified Public Accountants since April 1993.

Save as disclosed above, Mr. Suen does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and has not held any other directorships in other listed public companies in the last three years. As at the Latest Practicable Date, Mr. Suen did not have any interests in Shares within the meaning of Part XV of the SFO.

Mr. Suen has entered into a letter of appointment with the Company for a term of three years from 6 September 2018, which may be terminated by not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles. The director's fee of Mr. Suen as independent non-executive Director of the Company is HK\$240,000 per annum. Such fee is subject to review from time to time.

Save as disclosed above, there are no other matters concerning Mr. Suen that are required to be brought to the attention of the Shareholders, nor is there other information that is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.



XIN YUAN ENTERPRISES GROUP LIMITED

信源企業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1748)

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of XIN YUAN ENTERPRISES GROUP LIMITED (the “Company”) will be held at Units 5906–12, 59/F, The Center, 99 Queen’s Road Central, Hong Kong on Thursday, 17 June 2021 at 10:00 a.m. to transact the following businesses:

1. To receive and consider the audited financial statements and the reports of the directors (the “**Directors**”) and auditor for the year ended 31 December 2020.
2.
 - (i) To re-elect Mr. Ding Yuzhao as Director.
 - (ii) To re-elect Mr. Chen Ming as Director.
 - (iii) To re-elect Mr. Lin Shifeng as Director.
 - (iv) To re-elect Mr. Suen Chi Wai as Director.
 - (v) To authorize the board (the “**Board**”) of Directors to fix the remuneration of the Directors.
3. To re-appoint RSM Hong Kong as auditor and to authorize the Board to fix its remuneration.
4. “**THAT:**
 - (a) subject to the following provisions of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of US\$0.01 each in the share capital of the Company (the “**Shares**”), and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or 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) of this resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company; (iii) the exercise of warrants to subscribe for Shares; (iv) the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Company; or (v) an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company; shall not exceed 20% of the total number of Shares in issue as at the date of the 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 passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

5. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which Shares may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or those of any other recognized stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

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- (b) the aggregate number of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
 - (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”
6. **“THAT** conditional upon resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution numbered 4 above be and is hereby extended by the additional thereto of an amount representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to resolution numbered 5 above, provided that such amount shall not exceed 10% of the total number of Shares in issue as at the date of passing the resolution.”

By order of the Board
XIN YUAN ENTERPRISES GROUP LIMITED
Wang Faqing
Chairman

Hong Kong, 21 April 2021

Notes:

1. For the purpose of determining the identity of the Shareholders entitled to attend and vote at the meeting, the register of members of the Company will be closed from Friday, 11 June 2021 to Thursday, 17 June 2021, both dates inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 10 June 2021.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.

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4. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorized, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the Meeting.
5. With respect to resolution numbered 2 of this notice, Mr. Ding Yuzhao, Mr. Chen Ming, Mr. Lin Shifeng and Mr. Suen Chi Wai shall retire from office of directorship and shall offer themselves for re-election in accordance with the Articles of Association of the Company. Details of their information which are required to be disclosed under the Listing Rules are set out in Appendix II to the circular of the Company dated 21 April 2021.
6. To safeguard the health and safety of the Shareholders, the Company will implement the following precautionary measures at the AGM to prevent the spreading of the COVID-19:
 - (i) Compulsory body temperature checks will be conducted for every 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 and be requested to leave the AGM venue;
 - (ii) Every attendee will be required to wear surgical facial mask throughout the AGM and maintain a safe distance between seats. Please note that no masks will be provided at the AGM venue and attendees should wear their own masks; and
 - (iii) The Company will not provide refreshments and will not distribute corporate gifts.

In light of the continuing risks posed by the COVID-19, the Company encourages the Shareholders to consider appointing the Chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM as an alternative to attending the AGM in person.

As at the date of this notice, Mr. Wang Faqing, Mr. Xu Wenjun, Mr. Ding Yuzhao, Mr. Chen Ming and Mr. Lin Shifeng are the executive Directors, and Dr. Lai Guanrong, Mr. Suen Chi Wai and Mr. Xu Jie are the independent non-executive Directors.