

**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,  
PROPOSED AMENDMENTS TO THE MEMORANDUM AND  
ARTICLES OF ASSOCIATION,  
ADOPTION OF THE SECOND AMENDED AND  
RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of XIN YUAN ENTERPRISES GROUP LIMITED to be held at Units 5906–5912, 59/F, The Center, 99 Queen's Road Central, Hong Kong on Tuesday, 21 June 2022 at 10:00 a.m., at which, among other things, the above proposals will be considered, is set out on pages 33 to 37 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.

26 April 2022

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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 5906–5912, 59/F, The Center, 99 Queen’s Road Central, Hong Kong on Tuesday, 21 June 2022 at 10:00 a.m., notice of which is set out on pages 33 to 37 of this circular and any adjournment thereof
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Companies Act”	the Companies Act (2022 Revision) of the Cayman Islands, as amended, consolidated or otherwise modified from time to time
“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)
“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”	20 April 2022, 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
“Memorandum”	the memorandum of association of the Company

## DEFINITIONS

“New Memorandum and Articles”	the second amended and restated memorandum and articles of association of the Company incorporating and consolidating all the Proposed Amendments, proposed to be adopted by the Company at the AGM
“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China, which for the purposes of this circular, excludes Hong Kong, the Macau Administrative Region of the People’s Republic of China and Taiwan
“Proposed Amendments”	proposed amendments to the Memorandum and Articles as set out in Appendix III to this circular
“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



**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. Chen Ming (*Chairman*)  
Mr. Chen Jiagan (*Vice chairman*)  
Mr. Xu Wenjun (*Chief executive officer*)  
Mr. Ding Yuzhao  
Mr. Lin Shifeng

*Independent Non-executive Directors*

Mr. Wei Shusong  
Mr. Suen Chi Wai  
Mr. Xu Jie

*Registered Office*

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

*Principal place of business  
and head office in the PRC:*

Room 02-05, 40th Floor  
International Commerce Centre,  
No. 23 Changting Street  
Taijiang, Fuzhou  
China

*Principal place of business  
in Hong Kong:*

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

26 April 2022

*To Shareholder(s)*

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES  
AND TO REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
PROPOSED AMENDMENTS TO THE MEMORANDUM AND  
ARTICLES OF ASSOCIATION, AND  
ADOPTION OF THE SECOND AMENDED AND  
RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

**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, (ii) the re-election of Directors and (iii) the Proposed Amendments to the Memorandum and Articles and adoption of the New Memorandum and Articles.

## **LETTER FROM THE BOARD**

### **GENERAL MANDATES**

At the annual general meeting of the Company held on 17 June 2021, 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 33 to 35 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 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. Xu Wenjun and Mr. Xu Jie will retire and, being eligible, offer themselves for re-election at the AGM.

In accordance with Article 112 of the Articles, Mr. Chen Jiagan and Mr. Wei Shusong 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 Board's 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 the experience, working profiles and other experience of Mr. Xu Wenjun, Mr. Chen Jiagan, Mr. Xu Jie and Mr. Wei Shusong and their biographical details respectively in Appendix II to this circular. The Board noted that they have experience in different fields and professions, including shipping business, securities investment, legal and government. Mr. Xu Wenjun has many years of experience in managing the business and operation of shipping industry which are relevant to the Company's business. Mr. Chen Jiagan has more than 21 years of experience in securities investment. Mr. Xu Jie has more than 30 years of experience in legal field and Mr. Wei Shusong has extensive experience in government field and experience in serving as independent directors of other listed companies. The Nomination Committee had evaluated and was satisfied with the performance of each of the retiring Directors and is satisfied that they have the required character, integrity and experience to continuously fulfil their roles as Directors 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 each of the independent non-executive Directors, and was satisfied with their 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.



## LETTER FROM THE BOARD

### **PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND ADOPTION OF THE SECOND AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

Reference is made to the announcement of the Company dated 20 April 2022 relating to the Proposed Amendments to the Memorandum and Articles.

According to the amended Appendix 3 Core Shareholder Protection Standards of the Listing Rules which took effect on 1 January 2022, an issuer must demonstrate how the domestic laws, rules and regulations to which it is subject and its constitutional documents, in combination, provide the shareholder protection standards set out in the Core Shareholder Protection Standards. For this purpose, the Board proposed certain amendments to the Memorandum and Articles. The Board also proposed other housekeeping amendments to the Memorandum and Articles, including but not limited to the alignment with the name of the relevant applicable laws of the Cayman Islands.

The major Proposed Amendments are summarised as follows:

1. to state the financial year end of the Company;
2. to provide that the Company shall hold an annual general meeting in each financial year and such annual general meeting shall be held within six months after the end of the Company's financial year;
3. to amend the notice period for a general meeting to follow the requirements of the Listing Rules;
4. to provide that any director appointed by the Board to fill a casual vacancy shall hold office until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election;
5. to expressly state that Shareholders (including a Shareholder which is a clearing house (or its nominee(s))) shall have the right to speak and vote at a general meeting except where a shareholder is required by the Listing Rules to abstain from voting to approve the matter under consideration;
6. to change the requirement for a special resolution to remove an auditor to an ordinary resolution; and
7. other amendments to better align with the wordings in the Listing Rules and the applicable laws of the Cayman Islands.

Details of the Proposed Amendments are set out in Appendix III to this circular.

The legal advisers to the Company as to Hong Kong laws and Cayman Islands laws have respectively confirmed that the Proposed Amendments comply with the requirements of the Listing Rules and are not inconsistent with the Companies Act. The Company also confirms that there is nothing unusual about the Proposed Amendments for a Cayman Islands company listed on the Stock Exchange.

## LETTER FROM THE BOARD

The Proposed Amendments and the proposed adoption of the New Memorandum and Articles to consolidate the Proposed Amendments are subject to the approval of the Shareholders by way of special resolution to be proposed at the AGM. The New Memorandum and Articles will become effective upon the approval by the Shareholders at the AGM.

### ANNUAL GENERAL MEETING

Set out on pages 33 to 37 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; and the special resolution relating to the Proposed Amendments and the adoption of the New Memorandum and Articles.

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 and the special resolution 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 all 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**  
**Chen Ming**  
*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 was 440,000,000 Shares. Subject to the passing of the ordinary resolution for repurchase of Shares and on the basis of that no 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 Act, 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 Act, 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 2021 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>
<b>2021</b>		
April	1.79	1.50
May	2.85	1.50
June	3.84	1.65
July	3.80	3.30
August	3.50	2.99
September	3.34	3.00
October	3.32	3.00
November	3.15	2.82
December	3.10	2.61
<b>2022</b>		
January	2.90	2.12
February	2.67	2.40
March	2.60	1.95
April (up to and including the Latest Practicable Date)	2.48	2.25

### 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 Maochun 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 Article.

**Mr. Xu Wenjun** (徐文均先生) (“**Mr. Xu**”), aged 66, is our executive Director and the chief executive officer of our Group. Mr. Xu has been a Director since the incorporation of our company on 28 June 2016. Mr. Xu has participated in the management of our Group since 1 February 2010 where he has been responsible for corporate strategic planning, overseeing the overall operations and business development and day-to-day business management of our Group. Mr. Xu is a director of each member of our Group other than Xinlanhai.

Mr. Xu has approximately 15 years of relevant experience in the shipping industry. Prior to joining our Group, Mr. Xu worked as the deputy general manager at Fuzhou Dongfang Jinrong Shipping Co., Ltd. (福州東方錦榕海運有限公司), a company principally engaged in international shipping management business, from November 2002 to June 2006, where he was mainly responsible for international shipping business. From May 2006 until now, Mr. Xu worked as the general manager of Fujian Chuan Yuan, a company principally engaged in investment, where he was mainly responsible for making investment.

Mr. Xu served as the chief executive officer and general manager of Jincheng Hengtong from January 2010 to November 2017, where he was mainly responsible for overseeing the overall operations.

Mr. Xu received the certificate of Adult Higher Education majoring in economic management from Fujian Normal University (福建師範大學) in the PRC in September 2000.

Save as disclosed above, Mr. Xu 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. Xu was interested in 34,079,000 Shares held by Perfect Bliss Limited, a company directly wholly-owned by Mr. Xu.

Mr. Xu has entered into a service contract with the Company for an initial term of three years commencing on 26 September 2018 which is automatically renewable for one year after the expiry of the initial term until termination in accordance with the provisions under the service agreement. The service agreement, 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. Xu as executive Director of the Company is RMB1,080,000 per annum, subject to review from time to time.

Save as disclosed above, there are no other matters concerning Mr. Xu 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 Jiagan** (陳家幹先生) (“**Mr. Chen**”), aged 47, has been appointed as an executive Director and the vice chairman of the Board on 11 March 2022. Mr. Chen has over 21 years of experience in securities investment. From July 2000 to March 2004, Mr. Chen served as a manager at MF Securities Co., Ltd. (閩發證券有限責任公司) (currently known as Dongxing Securities Corporation Limited (東興證券股份有限公司), a company listed on the Shanghai stock exchange (stock code: 601198)). From April 2004 to December 2009, Mr. Chen served as the head of merger and acquisitions of the Fujian investment bank division at Sinolink Securities Co., Ltd. (國金證券股份有限公司), a company listed on the Shanghai stock exchange (stock code: 600109). From January 2010 to January 2015, Mr. Chen served as the vice chairman of the board of directors of China Chemical Fibers Investment Co., Ltd.\* (中纖創業投資有限公司). Mr. Chen has served as the legal representative, executive director and general manager of Fujian Jiuhe Investment Co., Ltd.\* (福建玖禾投資有限公司) since February 2015, and the legal representative, executive director and manager of Fuzhou Dayang Intelligent Parking Co., Ltd.\* (福州大洋智慧泊車有限公司) since December 2019.

Mr. Chen obtained his bachelor’s degree in mathematics education and his master’s degree in probability and mathematical statistics from Fujian Normal University (福建師範大學) in 1997 and 2000, respectively. Mr. Chen obtained his doctoral degree in quantitative economics from Huaqiao University (華僑大學) in 2014.

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 agreement with the Company for an initial term of 3 years commencing from 11 March 2022, which is automatically renewable for one year after the expiry of the initial term until termination in accordance with the provisions under the service agreement. The service agreement may be terminated by either party by giving three months’ written notice and is subject to retirement and re-election in accordance with the articles of association of the Company. Pursuant to the service agreement, The director’s fee of Mr. Chen as executive Director of the Company is RMB1,200,000 per annum, subject to review from time to time.

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 should be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

**Mr. Xu Jie** (徐捷先生) (“**Mr. Xu**”), aged 67, has been our independent non-executive Director since the Listing Date.

Mr. Xu Jie has accumulated over 34 years of experience in the legal field. From June 1986 to July 1993, Mr. Xu Jie was the deputy president of the Maritime Commercial Tribunal of the Shanghai Maritime Court (上海海事法院) of the PRC. From September 1993 to October 1994, Mr. Xu Jie was a teacher at the Shanghai Maritime College (上海海運學院), currently known as Shanghai Maritime University (上海海事大學). From October 1994 to December



2000, Mr. Xu Jie worked as a partner in Shanghai Duan & Duan Law Firm (上海段和段律師事務所). From January 2001 to May 2014, Mr. Xu Jie served as the partner of Shanghai Haoying Law Firm\* (上海市浩英律師事務所). From May 2014 to November 2016, Mr. Xu Jie served as the senior partner of CoEffort Law Firm LLP (上海市協力律師事務所).

Mr. Xu Jie graduated from the Shanghai Maritime College (上海海運學院), currently known as Shanghai Maritime University (上海海事大學) in January 1982 with a Bachelor's degree, majoring in ocean shipping business, and obtained a Master's degree majoring in international economic law in January 1991. Mr. Xu Jie has also been an arbitrator at the China Maritime Arbitration Commission (中國海事仲裁委員會) since May 2017.

Save as disclosed above, Mr. Xu Jie 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. Xu Jie did not have any interests in Shares within the meaning of Part XV of the SFO.

Mr. Xu Jie has entered into a letter of appointment with the Company for a term of three years from 26 September 2021, 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. Xu Jie as independent non-executive Director of the Company is HK\$240,000 per annum, subject to review from time to time.

Save as disclosed above, there are no other matters concerning Mr. Xu 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. Wei Shusong (魏書松先生) ("Mr. Wei")**, aged 77, has been our independent non-executive Director since 20 December 2021.

Mr. Wei is a senior and registered accountant. He has approximately 19 years of experience working in government departments, and approximately 9 years of experience serving as an independent director in listed companies. From September 1985 to September 1999, Mr. Wei successively held important positions in the Harbin Municipal Finance Bureau (哈爾濱市政府財政局), Harbin Municipal Audit Bureau (哈爾濱市政府審計局), Harbin Municipal Institutional Reform Commission (哈爾濱市政府體制改革委員會), and Municipal Securities Regulatory Office (市政府證券監督管理辦公室). Mr. Wei then served as the director and inspector (主任及巡視員) of the Fuzhou Special Office of the China Securities Regulatory Commission (中國證監會福州特派辦) from July 1999 to July 2003 and from July 2003 to September 2004, respectively. Mr. Wei had been retired since September 2004. Subsequently, Mr. Wei served as an independent director in Fujian Star-net Communication Co., Ltd. (福建星網銳捷通訊股份有限公司) (stock code: 002396.SZ) from October 2005 to December 2011, in Yango Group Co., Ltd (陽光城集團股份有限公司) (stock code: 000671.SZ) from December 2007 to December 2010, and in Fujian Nanping Sun Cable Co., LTD. (福建南平太陽電纜股份有限公司) (stock code: 002300.SZ) from January 2013 to September 2014 respectively.



Mr. Wei graduated from the Renmin University of China (中國人民大學) in 1968 and graduated from the Graduate University of the Chinese Academy of Sciences (中科院研究生院) in 1991.

Save as disclosed above, Mr. Wei 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. Wei did not have any interests in Shares within the meaning of Part XV of the SFO.

Mr. Wei has entered into a letter of appointment with the Company for a term of three years from 20 December 2021, which may be terminated by 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. Wei as independent non-executive Director of the Company is HK\$240,000 per annum, subject to review from time to time.

Save as disclosed above, there are no other matters concerning Mr. Wei 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.

Set out below are the proposed amendments to the Memorandum and Articles of Association of the Company:

**Proposed Amendments**

(showing changes to the existing Memorandum and Articles of Association)

**Clause**

**No. Amendments to the Memorandum of Association**

1. The name of the Company is XIN YUAN ENTERPRISES GROUP LIMITED 信源企業集團有限公司 (the “Company”).
2. The registered office ~~will~~shall be situated at the offices of Vistra (Cayman) Limited, P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands or at such other place in the Cayman Islands as the Directors may from time to time decide.
5. If the Company is registered as an exempted company as defined in the Cayman Islands Companies ~~Law Act~~, it shall have the power, subject to the provisions of the Cayman Islands Companies ~~Law Act~~ and with the approval of a ~~special resolution~~Special Resolution, to continue as a body incorporated under the laws of any jurisdiction outside of the Cayman Islands and to be de-registered in the Cayman Islands.
8. The financial year end of the Company is 31 December or such other date as the Directors may from time to time decide and annex to this Memorandum.

**Article**

**No. Amendments to Articles of Association**

- 1 (a) Table “A” of the Companies ~~Law Act~~ (as revised) shall not apply to the Company.
- (b) **Companies ~~Law Act~~:** means the Companies ~~Law Act~~ (as revised) of the Cayman Islands as amended from time to time and every other act, order regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or the Articles of Association;

**Listing Rules:** shall mean the Rules Governing the Listing of Securities on ~~the HK~~The Stock Exchange of ~~Hong Kong Limited~~ (as amended from time to time);

**Registered Office:** means the registered office of the Company for the time being as required by the Companies ~~Law Act~~;

**Article****No. Amendments to Articles of Association**

- (c) (iii) subject to the foregoing provisions of this Article, any words or expressions defined in the Companies Law Act (except any statutory modification thereof not in force when these Articles become binding on the Company) shall bear the same meaning in these Articles, save that “company” shall where the context permits include any company incorporated in the Cayman Islands or elsewhere; and
- (d) At all times during the Relevant Period a resolution shall be a Special Resolution when it has been passed by a majority of not less than ~~three-quarters~~<sup>3/4</sup> of the ~~votes cast~~voting rights held by such Shareholders as, being entitled so to do, ~~present and~~ vote in person or by proxy or, in the cases of Shareholders which are corporations, by their respective duly authorised representatives at a general meeting held in accordance with these Articles and of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

**Shares, Warrants and Modification of Rights**

- 5 (a) If at any time the share capital of the Company is divided into different classes of Shares, all or any of the special rights attached to any class (unless otherwise provided for by the terms of issue of the Shares of that class) may, subject to the provisions of the Companies Law Act, be varied or abrogated ~~either with the consent in writing of at least three-quarters<sup>3/4</sup> of the voting rights of the holders of not less than 3/4 in nominal value of the issued the~~ Shares of that class presenting and voting in person or with the sanction of a Special Resolution passed by proxy at a separate general meeting of the holders of the Shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum (~~other than at an adjourned meeting~~) shall be not less than two persons holding (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or representing by proxy not less than one-third in nominal value of the issued Shares of that class, ~~that the quorum for any meeting adjourned for want of quorum shall be two Shareholders present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy (whatever the number of Shares held by them) and that any holder of Shares of the class present in person (or in the case of the Shareholder being a corporation, by its duly authorised representative) or by proxy may demand a poll.~~

**Article****No. Amendments to Articles of Association**

- 8 Any new Shares shall be issued upon such terms and conditions and with such rights, privileges or restrictions attached thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, subject to the provisions of the Companies ~~Law~~Act and of these Articles, as the Board shall determine; and in particular such Shares may be issued with a preferential or qualified right to participate in Dividends and in the distribution of assets of the Company and with a special right or without any right of voting.
- 11 (a) All unissued Shares and other securities of the Company shall be at the disposal of the Board and it may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times, for such consideration and generally on such terms (subject to Article 9) as it in its absolute discretion thinks fit, but so that no Shares shall be issued at a discount. The Board shall, as regards any offer or allotment of Shares, comply with the provisions of the Companies ~~Law~~Act, if and so far as such provisions may be applicable thereto.
- 12 (a) The Company may at any time pay commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any Shares, but so that the conditions and requirements of the Companies ~~Law~~Act shall be observed and complied with, and in each case the commission shall not exceed 10% of the price at which the Shares are issued.
- (b) If any Shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable within a period of one year, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and, subject to any conditions and restrictions mentioned in the Companies ~~Law~~Act, may charge the sum so paid by way of interest to capital as part of the cost of construction of the works or buildings, or the provisions of the plant.
- 13 (d) sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies ~~Law~~Act, and so that the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-division, one or more of the Shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new Shares;

**Article****No.****Amendments to Articles of Association**

- 15 (a) Subject to the Companies ~~Law~~Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to purchase or otherwise acquire ~~all or any of~~ its own Shares (which expression as used in this Article includes redeemable Shares) provided that the manner and terms of purchase have first been authorised by an Ordinary Resolution of the Shareholders, and to purchase or otherwise acquire warrants and other securities for the subscription or purchase of its own Shares, and shares and warrants and other securities for the subscription or purchase of any shares in any company which is its Holding Company and may make payment therefor in any manner and terms authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any Shares or warrants or other securities in the Company or any company which is a Holding Company of the Company and should the Company purchase or otherwise acquire its own Shares or warrants or other securities neither the Company nor the Board shall be required to select the Shares or warrants or other securities to be purchased or otherwise acquired rateably or in any other manner and terms as between the holders of Shares or warrants or other securities of the same class or as between them and the holders of Shares or warrants or other securities of any other class or in accordance with the rights as to Dividends or capital conferred by any class of Shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with the relevant code, rules or regulations issued from time to time by the HK Stock Exchange and/or the Securities and Futures Commission of Hong Kong from time to time in force.
- (b) Subject to the provisions of the Companies ~~Law~~Act and the Memorandum of Association of the Company, and to any special rights conferred on the holders of any Shares or attaching to any class of Shares, Shares may be issued on the terms that they may, at the option of the Company or the holders thereof, be liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.

**Article****No.****Amendments to Articles of Association****Register of Shareholders and Share Certificates**

- 17 (a) The Board shall cause to be kept the Register and there shall be entered therein the particulars required under the Companies ~~Law~~Act.
- (b) Subject to the provisions of the Companies ~~Law~~Act, if the Board considers it necessary or appropriate, the Company may establish and maintain a principal or branch register of Shareholders at such location as the Board thinks fit and, during the Relevant Period, the Company shall keep its principal or a branch register of Shareholders in Hong Kong.
- (c) During the Relevant Period (except when the Register is closed ~~in accordance with terms equivalent to the Companies Ordinance~~), any Shareholder may inspect during business hours any Register maintained in Hong Kong without charge and require the provision to him of copies or extracts thereof in all respects as if the Company were incorporated under and were subject to the Companies Ordinance.
- 18 (a) Every person whose name is entered as a Shareholder in the Register shall be entitled to receive within the relevant time limit as prescribed in the Companies ~~Act~~Law or as the HK Stock Exchange may from time to time determine, whichever is shorter, after allotment or lodgement of a transfer (or within such other period as the conditions of issue shall provide or is required by the applicable rules of the stock exchange of the Relevant Territory) one certificate for all his Shares, or, if he shall so request, in a case where the allotment or transfer is of a number of Shares in excess of the number for the time being forming a stock exchange board lot for the purposes of the stock exchange of the Relevant Territory on which the Shares are listed upon payment of such sum (in the case of a transfer, not exceeding in the case of any share capital listed on a stock exchange in Hong Kong, HK\$2.50 or such other sum as may from time to time be allowed or not prohibited under the Listing Rules, and in the case of any other Shares, such sum in such currency as the Board may from time to time determine to be reasonable in the territory in which the relevant Register is situated, or otherwise such other sum as the Company may by Ordinary Resolution determine) for every certificate after the first as the Board may from time to time determine, such number of certificates for Shares in stock exchange board lots or whole multiples thereof as he shall request and one for the balance (if any) of the Shares in question, provided that in respect of a Share or Shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of the joint holders shall be sufficient delivery to all such holders.

**Article****No. Amendments to Articles of Association****Transfer of Shares**

- 39 Subject to the Companies Law Act, all transfers of Shares shall be effected by transfer in writing in the usual or common form or in such other form as the Board may accept provided always that it shall be in such a form prescribed by the HK Stock Exchange and may be under hand only or, if the transferor or transferee is a Clearing House (or its nominee(s)), under hand or by machine imprinted signature or by such other means of execution as the Board may approve from time to time.
- 41 (c) Notwithstanding anything contained in these Articles, the Company shall as soon as practicable and on a regular basis record in the principal Register all removals of Shares effected on any branch Register and shall at all times maintain the principal Register and all branch Registers in all respects in accordance with the Companies Law Act.

**General Meetings**

- 62 ~~At all times during the Relevant Period other than the year of the Company's adoption of these Articles, The~~ Company shall in each financial year during the Relevant Period hold a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notice calling it, and ~~not more than 15 Months (or such longer period as may be authorised by the HK Stock Exchange) shall elapse between the date of one annual general meeting of~~ shall be held within six months after the Company and that end of the next Company's financial year. The annual general meeting shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence at such meetings.

**Article****No.****Amendments to Articles of Association**

- 64 The Board may, whenever it thinks fit, convene an extraordinary general meeting. ~~Extraordinary general meetings shall also be convened on the requisition of one~~ One or more Shareholders holding, at the date of deposit of the requisition, in aggregate not less than one tenth of the voting rights (on a one vote per share basis) in the paid-up share capital of the Company ~~having~~ may also make a requisition to convene an extraordinary general meeting and add resolutions to the right of voting at general meetings agenda of a meeting. Such requisition ~~(and resolutions to a meeting agenda, as applicable)~~ shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two Months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.
- 65 An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and a general meeting of the Company, other than an annual general meeting, shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day, the hour and the agenda of the meeting and particulars of the resolutions to be considered at that meeting and in case of special business (as defined in Article 67), the general nature of that business, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these Articles, entitled to receive such notices from the Company, provided that a meeting of the Company shall notwithstanding that it is called by shorter notice than that specified in this Article be deemed to have been duly called if it can be demonstrated to the HK Stock Exchange that reasonable written notice can be given in less time, and it is so agreed:

...



**Article  
No.****Amendments to Articles of Association****Proceedings at General Meetings**

- 70 The chairman (if any) of the Company or if he is absent or declines to take the chair at such meeting, the ~~v~~Vice chairman (if any) of the Company shall take the chair at every general meeting, or, if there be no such chairman or ~~v~~Vice chairman, or, if at any general meeting neither of such chairman or ~~v~~Vice chairman is present within 15 minutes after the time appointed for holding such meeting, or both such persons decline to take the chair at such meeting, the Directors present shall choose one of their number as chairman of the meeting, and if no Director be present or if all the Directors present decline to take the chair or if the chairman chosen shall retire from the chair, then the Shareholders present shall choose one of their number to be chairman of the meeting.
- 72 (b) any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights, on a one vote per Share basis, of all the Shareholders having the right to vote at the meeting; or

**Votes of Shareholders**

- 79A ~~Where All Shareholders of the Company (including a Shareholder which is a Clearing House (or its nominee(s))) shall have the right to speak and vote at a general meeting except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.~~
- 79B Where the Company has knowledge that any Shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, in which case any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted. Otherwise, all Shareholders shall have the right to speak and vote at a general meeting.

**Article****No.****Amendments to Articles of Association****Appointment of Proxy and Corporate Representative**

- 85 Any Shareholder entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A corporation which is a Shareholder may execute a form of proxy under the hand of a duly authorised officer. A Shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Shareholder of the Company. On a poll or a show of hands votes may be given either personally (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy. A proxy shall be entitled to exercise the same powers on behalf of a Shareholder who is an individual and for whom he acts as proxy as such Shareholder could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a Shareholder which is a corporation and for which he acts as proxy as such Shareholder could exercise as if it were an individual Shareholder present in person at any general meeting.
- 88 The instrument appointing a proxy and, if requested by the Board, the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at such place or one of such places (if any) as is specified in the notice of meeting or in the instrument of proxy issued by the Company (or, if no place is specified, at the Registration Office) not less than 48 hours before the time for holding the meeting or adjourned meeting (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 Months from the date of its execution, except at an adjourned meeting where the meeting was originally held within 12 ~~m~~Months from such date. Delivery of an instrument appointing a proxy shall not preclude a Shareholder from attending and voting in person (or in the case of a Shareholder being a corporation, its duly authorised representative) at the meeting concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

**Article****No.****Amendments to Articles of Association**

- 92 (b) Where a Shareholder is a Clearing House (or its nominee(s)), it may (subject to Article 93) appoint proxies or authorise such person or persons as it thinks fit to act as its representative or representatives, who enjoy rights equivalent to the rights of other Shareholders, at any meeting of the Company (including but not limited to general meetings), ~~or~~ at any meeting of any class of Shareholders, or at any meeting of the creditors of the Company provided that if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such representative is so authorised. A person so authorised pursuant to the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) which he represents as that Clearing House (or its nominee(s)) could exercise as if such person were an individual Shareholder, including the right to speak and vote individually on a show of hands or on a poll.

**Board of Directors**

- 96 The number of Directors shall not be less than two (2). The Company shall keep at its Registered Office a register of its directors and officers in accordance with the Companies ~~Law~~Act.
- 104 (b) Except as would, if the Company were a company incorporated in Hong Kong, be permitted by the Companies Ordinance as in force at the date of adoption of these Articles, and except as permitted under the Companies ~~Law~~Act, the Company shall not directly or indirectly:
- 105 (h) if he shall be removed from the office by notice in writing served on him signed by not less than ~~¾~~three-quarters in number (or if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

**Article  
No.****Amendments to Articles of Association****Appointment and Rotation of Directors**

- 112 The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy ~~shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board~~ as an addition to the existing Board shall hold office only until the ~~next following first~~ annual general meeting of the Company after his appointment and shall then be eligible for re-election. Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.
- 113 No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office. ~~The period for lodgment of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.~~The Company shall include the particulars of such proposed person for election as a Director in its announcement or supplementary circular, and shall give the Shareholders at least 7 days to consider the relevant information disclosed in such announcement or supplementary circular prior to the date of the meeting of the election.
- 114 ~~The Company~~Shareholders may by Ordinary Resolution remove any Director (including a managing director or other executive director) before the expiration of his term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may by Ordinary Resolution elect another person in his stead. Any Director so appointed shall be subject to retirement by rotation pursuant to Article 108.

**Article  
No.****Amendments to Articles of Association****Borrowing Powers**

- 116 The Board may raise or secure the payment or repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular but subject to the provisions of the Companies ~~Law~~Act, by the issue of debentures, debenture stock, bonds or other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 119 The Directors shall cause a proper register to be kept, in accordance with the provisions of the Companies ~~Law~~Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with such provisions of the Companies ~~Law~~Act with regard to the registration of mortgages and charges as may be specified or required.

**Management**

- 127 The business of the Company shall be managed by the Board who, in addition to the powers and authorities by these Articles expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not hereby or by the Companies ~~Law~~Act expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Companies ~~Law~~Act and of these Articles and to any regulations from time to time made by the Company in general meeting not being inconsistent with such provisions or these Articles, provided that no regulation so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

**Chairman and other Officers**

- 132 The Board may from time to time elect or otherwise appoint one of them to the office of chairman of the Company and another to be the vice chairman of the Company (or two or more vice ~~c~~Chairmen) and determine the period for which each of them is to hold office. The chairman of the Company or, in his absence, the vice chairman of the Company shall preside as chairman at meetings of the Board, but if no such chairman or vice chairman be elected or appointed, or if at any meeting the chairman or vice chairman is not present within five minutes after the time appointed for holding the same and willing to act, the Directors present shall choose one of their number to be chairman of such meeting. All the provisions of Articles 103, 108, 123, 124 and 125 shall *mutatis mutandis* apply to any Directors elected or otherwise appointed to any office in accordance with the provisions of this Article.

**Article  
No.****Amendments to Articles of Association****Secretary**

- 144 The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may, without prejudice to his right under any contract with the Company, be removed by the Board. Anything by the Companies ~~LawAct~~ or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any other reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specifically on behalf of the Board.
- 145 The Secretary shall attend all meetings of the Shareholders and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the Companies ~~LawAct~~ and these Articles, together with such other duties as may from time to time be prescribed by the Board.
- 146 A provision of the Companies ~~LawAct~~ or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of the Secretary.

**General Management and Use of the Seal**

- 147 (a) Subject to the Companies ~~LawAct~~, the Company shall have one or more Seals as the Board may determine, and may have a Seal for use outside the Cayman Islands. The Board shall provide for the safe custody of each Seal, and no Seal shall be used without the authority of the Board or a committee authorised by the Board in that behalf.

**Capitalisation of Reserves**

- 153 (a) The Company in general meeting may, upon the recommendation of the Board, resolve to capitalise any sum standing to the credit of any of the Company's reserve accounts which are available for distribution (including its share premium account and capital redemption reserve fund, subject to the Companies ~~LawAct~~) and to appropriate such sums to the holders of Shares on the Register at the close of business on the date of the relevant resolution (or such other date as may be specified therein or determined as provided therein) in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of Dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid.

**Article  
No.****Amendments to Articles of Association**

- (b) Subject to the Companies ~~Law~~Act, whenever such a resolution as aforesaid shall have been passed, the Board shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and attend to all allotments and issues of fully paid Shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. For the purpose of giving effect to any resolution under this Article, the Board may settle any difficulty which may arise in regard to a capitalisation issue as it thinks fit, and in particular may disregard fractional entitlements or round the same up or down and may determine that cash payments shall be made to any Shareholders in lieu of fractional entitlements or that fractions of such value as the Board may determine may be disregarded in order to adjust the rights of all parties or that fractional entitlements shall be aggregated and sold and the benefit shall accrue to the Company rather than to the Shareholders concerned, and no Shareholders who are affected thereby shall be deemed to be, and they shall be deemed not to be, a separate class of Shareholders by reason only of the exercise of this power. The Board may authorise any person to enter on behalf of all Shareholders interested in a capitalisation issue any agreement with the Company or other(s) providing for such capitalisation and matters in connection therewith and any agreement made under such authority shall be effective and binding upon all concerned. Without limiting the generality of the foregoing, any such agreement may provide for the acceptance by such persons of the Shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.

**Dividends and Reserves**

- 154 Subject to the Companies ~~Law~~Act and these Articles, the Company in general meeting may declare Dividends in any currency but no Dividends shall exceed the amount recommended by the Board.
- 156 (a) No Dividend shall be declared or paid or shall be made otherwise than in accordance with the Companies ~~Law~~Act.

**Article****No. Amendments to Articles of Association**

- (b) Subject to the provisions of the Companies ~~Law~~Act but without prejudice to paragraph (a) of this Article, where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company, and be available for Dividend accordingly. Subject as aforesaid, if any Shares or securities are purchased cum Dividend or interest, such Dividend or interest may at the discretion of the Board be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof or to apply the same towards reduction of or writing down the book cost of the asset, business or property acquired.

**Annual Returns**

- 171 The Board shall make or cause to be made such annual or other returns or filings as may be required to be made in accordance with the Companies ~~Law~~Act.

**Accounts**

- 172 The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place; and of the assets and liabilities of the Company and of all other matters required by the Companies ~~Law~~Act necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.
- 174 No Shareholder (not being a Director) or other person shall have any right of inspecting any account or book or document of the Company except as conferred by the Companies ~~Law~~Act or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.



**Article  
No.****Amendments to Articles of Association****Auditors**

- 176 (a) The ~~Company Shareholders~~ shall at each annual general meeting appoint one or more firms of auditors to hold office by Ordinary Resolution until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board, but if an appointment is not made, the Auditors in office shall continue in office until a successor is appointed. A Director, officer or employee of any such Director, officer or employee shall not be appointed Auditors of the Company. The Board may fill any casual vacancy in the office of Auditors subject to the approval by Ordinary Resolution of the Shareholders at general meeting, but while any such vacancy continues the surviving or continuing Auditors (if any) may act. The remuneration of the Auditors shall be fixed by or on the authority of the ~~Company Shareholders~~ in the annual general meeting by Ordinary Resolution except that in any particular year the ~~Company Shareholders~~ in general meeting may by Ordinary Resolution delegate the fixing of such remuneration to the Board and the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board to the extent permitted by the Listing Rules.
- (b) The Shareholders may, at any general meeting convened and held in accordance with these Articles, remove the Auditors by ~~Special~~Ordinary Resolution at any time before the expiration of the term of office and shall, by Ordinary Resolution, at that meeting appoint new auditors in its place for the remainder of the term.

**Notices**

- 180 (a) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles shall be in writing or, to the extent permitted by the Companies ~~Law Act~~ and the Listing Rules from time to time and subject to this Article, contained in an electronic communication. A notice calling a meeting of the Board need not be in writing.

**Article****No.****Amendments to Articles of Association**

- (b) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles (including any corporate communications within the meaning ascribed thereto under the Listing Rules) may be served on or delivered to any Shareholder either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Shareholder at his registered address as appearing in the register or by leaving it at that address addressed to the Shareholder or by any other means authorised in writing by the Shareholder concerned or (other than share certificate) by publishing it by way of advertisement in the Newspapers. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Companies Law Act and the Listing Rules, a notice or document may be served or delivered by the Company to any Shareholder by electronic means to such address as may from time to time be authorised by the Shareholder concerned or by publishing it on a website and notifying the Shareholder concerned that it has been so published.

**Winding Up**

- 188 Subject to the Companies Law Act, ~~a resolution that the Company may at any time and from time to time be wound up by the Court or be wound up voluntarily shall be passed by way of a Special Resolution. If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims.~~
- 190 If the Company shall be wound up (in whatever manner) the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Companies Law Act, divide among the Shareholders in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders and the Shareholders within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any Shares or other assets upon which there is a liability.

**Article****No. Amendments to Articles of Association****Subscription Right Reserve**

195 The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Companies ~~Law~~Act:

...

**Stock**

196 The following provisions shall have effect at any time and from time to time provided that they are not prohibited by or inconsistent with the Companies ~~Law~~Act:

...

*In the event of any inconsistency, the English version shall prevail.*



**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 5906–5912, 59/F, The Center, 99 Queen’s Road Central, Hong Kong on Tuesday, 21 June 2022 at 10:00 a.m., to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements and the reports of the directors of the Company (the “**Directors**”) and auditor for the year ended 31 December 2021.
2.
  - (i) To re-elect Mr. Xu Wenjun as Director.
  - (ii) To re-elect Mr. Chen Jiagan as Director.
  - (iii) To re-elect Mr. Xu Jie as Director.
  - (iv) To re-elect Mr. Wei Shusong 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.

**ORDINARY RESOLUTIONS**

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;

## NOTICE OF ANNUAL GENERAL MEETING

- (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;
- (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).”

## NOTICE OF ANNUAL GENERAL MEETING

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;
  - (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.”

## NOTICE OF ANNUAL GENERAL MEETING

### SPECIAL RESOLUTION

To consider and, if thought fit, to pass with or without amendments, the following resolutions as special resolution:

7. “**THAT** the proposed amendments to the memorandum and articles of association of the Company as set out in the Appendix III to the circular of the Company dated 26 April 2022 (the “**Circular**”) be and are hereby approved; and the second amended and restated articles of association of the Company in the form produced to the meeting, a copy of which has been produced to the meeting marked “A” and signed by the chairman of the annual general meeting for the purpose of identification, which consolidates all the proposed amendments mentioned in the Circular, be approved and adopted in substitution for and to the exclusion of the existing articles of association of the Company with immediate effect after the close of the meeting and any one Director be and is hereby authorised to do all such acts and things and execute all such documents for and on behalf of the Company as they may consider necessary, desirable or appropriate in connection with this special resolution numbered 7.”

By order of the Board  
**XIN YUAN ENTERPRISES GROUP LIMITED**  
**Chen Ming**  
*Chairman*

Hong Kong, 26 April 2022

*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 16 June 2022 (Thursday) to 21 June 2022 (Tuesday), 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 15 June 2022 (Wednesday).
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.
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.

## NOTICE OF ANNUAL GENERAL MEETING

5. With respect to resolution numbered 2 of this notice, Mr. Xu Wenjun, Mr. Chen Jiagan, Mr. Xu Jie and Mr. Wei Shusong 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 26 April 2022.
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. Chen Ming, Mr. Chen Jiagan, Mr. Xu Wenjun, Mr. Ding Yuzhao and Mr. Lin Shifeng are the executive Directors, and Mr. Wei Shusong, Mr. Suen Chi Wai and Mr. Xu Jie are the independent non-executive Directors.*