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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)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of Xin Yuan Enterprises Group Limited (the “**Company**”) dated 23 August 2019 (the “**Announcement**”). Unless otherwise stated, capitalized terms used herein shall have the meanings ascribed to them in the Announcement.

In addition to the information disclosed in the Announcement, the Company wishes to provide the Shareholders and the public with additional information in relation to the Purchase Agreement.

As disclosed in the Announcement, the unit consideration per metric ton of asphalt 60/70 was arrived at after arm’s length negotiation between the parties on normal commercial terms with reference to the prevailing market price. For the purpose of obtaining prevailing market prices, the Group made reference to the market intelligence which the Group has gathered from other asphalt traders and the prevailing market price information provided by an independent market research and consulting firm. Having considered the above, the Directors confirmed that the unit consideration under the Purchase Agreement was fair and reasonable comparing to the price offered by an independent third party (as defined in the Listing Rules) for the same or similar type of asphalt 60/70, and was, in the Directors’ view, in the interests of the Company and its shareholders as a whole.

Save as disclosed above, all other information set out in the Announcement remains unchanged.

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

Hong Kong, 9 September 2019

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