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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)

INSIDE INFORMATION CHANGE OF SUBSTANTIAL SHAREHOLDER

This announcement is made by Xin Yuan Enterprises Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company was informed that, on 12 August 2020, Fortune Harvest Materials Hongkong Limited (香港瑞豐物產國際有限公司) (“**Fortune Harvest**”) entered into a sale and purchase agreement with Universal International Technology (Hong Kong) Limited (環宇國際科技(香港)有限公司) (“**Universal International**”), pursuant to which Fortune Harvest has agreed to sell, and Universal International has agreed to purchase, 116,000,000 shares of the Company, representing approximately 26.36% of the Company’s total issued share capital as at the date of this announcement, at a consideration of HK\$162,400,000 (the “**Transfer**”).

Subject to the completion of the Transfer, Fortune Harvest shall cease to hold any shares in the Company and accordingly, Fortune Harvest will cease to be a substantial shareholder (as defined in the Listing Rules) of the Company.

To the best of the information, knowledge and belief of the Directors after having made all reasonable enquiries, Universal International and its ultimate beneficial owner are independent of the Company and connected persons of the Company (as defined in the Listing Rules). Assuming there is no change in the issued share capital of the Company from the date of this announcement to the date of completion of the Transfer, immediately following the completion of the Transfer, Universal International will hold approximately 26.36% of the total issued share capital of the Company and will become a substantial shareholder and a connected person of the Company.

The Board expects that the change of substantial shareholder will not have any adverse effect on the operations of the Company and its subsidiaries.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 August 2020

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.