

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 AND
ADOPT THE THIRD 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 physically held at Units 5906–5912, 59/F, The Center, 99 Queen's Road Central, Hong Kong on Tuesday, 18 June 2024 at 10:00 a.m., at which, among other things, the above proposals will be considered, is set out on pages 19 to 23 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting (i.e. not later than 10:00 a.m. on Sunday, 16 June 2024) 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.

23 April 2024

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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 physically held at Units 5906–5912, 59/F, The Center, 99 Queen’s Road Central, Hong Kong on Tuesday, 18 June 2024 at 10:00 a.m., notice of which is set out on pages 19 to 23 of this circular and any adjournment thereof
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuing Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares of up to 20% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate and adding thereto any Shares representing the aggregate number of Shares repurchased by the Company pursuant to the authority granted under the Repurchase Mandate
“Latest Practicable Date”	15 April 2024, 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 and Articles”	the second amended and restated memorandum and articles of association of the Company

DEFINITIONS

“New Memorandum and Articles”	the third amended and restated memorandum and articles of association of the Company incorporating and consolidating all the Proposed Amendments, proposed to be passed by the Shareholders by a special resolution and 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 Special Administrative Region of the People’s Republic of China and Taiwan, China
“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
“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. Lin Shifeng
Mr. Chen Yanbiao

Independent Non-executive Directors

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

*Registered Office in the
Cayman Islands:*

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

23 April 2024

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
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NOTICE OF ANNUAL GENERAL MEETING**

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 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 15 June 2023, 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 Memorandum and 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 19 to 23 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 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 the Directors the Repurchase Mandate at the AGM.

RE-ELECTION OF DIRECTORS

In accordance with Article 108(a) of the Memorandum and Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. Accordingly, Mr. Chen Jiagan, Mr. Xu Wenjun and Mr. Lin Shifeng will retire and, being eligible, offer themselves for re-election at the AGM.

LETTER FROM THE BOARD

In accordance with Article 112 of the Memorandum and Articles, 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 or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election. Accordingly, Mr. Chen Yanbiao will retire and, being eligible, offer himself 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.

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. Chen Jiagan, Mr. Xu Wenjun, Mr. Lin Shifeng and Mr. Chen Yanbiao and their biographical details respectively in Appendix II to this circular. The Board noted that they have experience in different fields and professions, including accounting and finance management, shipping business, securities investment, legal and government and commercial and strategic development. Mr. Chen Jiagan has more than 23 years of experience in securities investment. 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. Lin Shifeng

LETTER FROM THE BOARD

has approximately 23 years of relevant experience in accounting and finance management, where he has spent approximately 20 years in the shipping industry. Mr. Chen Yanbiao has over 18 years of commercial and strategic development experience through his management positions held in companies across property development and investment industries. The Nomination Committee had evaluated and was satisfied with the performance of each of the retiring Directors and was 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 is of the belief that the re-elections of Mr. Chen Jiagan, Mr. Xu Wenjun, Mr. Lin Shifeng and Mr. Chen Yanbiao as executive Directors would be in the best interests of the Company and its Shareholders as a whole.

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES AND ADOPTION OF THE THIRD AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

Reference is made to the announcement of the Company dated 26 March 2024 relating to the Proposed Amendments to the Memorandum and Articles.

The Board proposes to make amendments to the Memorandum and Articles for the purposes of (i) updating and bringing the Memorandum and Articles in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect on 31 December 2023; and (ii) to better align the amendments of the Memorandum and Articles for housekeeping purposes with the provisions of the Listing Rules and the applicable laws of the Cayman Islands.

Details of the Proposed Amendments to the Memorandum and Articles 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.

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.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

Set out on pages 19 to 23 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, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM (i.e. not later than 10:00 a.m. on Sunday, 16 June 2024) 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 as a whole. 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 Shares 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 REPURCHASE OF SHARES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. 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 REPURCHASE 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 Memorandum and 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 authorised by its Memorandum and 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 authorised by the Memorandum and 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 2023 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period.

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:

	Share Price	
	Highest HK\$	Lowest HK\$
2023		
April	2.50	2.40
May	2.86	2.03
June	2.20	1.87
July	2.19	2.19
August	2.55	2.17
September	2.58	2.34
October	2.49	2.49
November	7.20	2.44
December	5.15	5.00
2024		
January	5.99	5.10
February	4.80	4.00
March	4.00	4.00
April (up to and including the Latest Practicable Date)	4.00	3.95

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 as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers 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.

The Company confirms that neither this explanatory statement nor the proposed share repurchase has any unusual features.

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. Chen Jiagan (陳家幹先生), aged 49, is our executive Director and vice chairman of the Board. Mr. Chen Jiagan was appointed as our executive Director and vice chairman of the Board on 11 March 2022, who has over 23 years of experience in securities investment. From July 2000 to March 2004, Mr. Chen Jiagan 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 Jiagan 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 Jiagan 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). Since February 2015, Mr. Chen Jiagan 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 December 2019, Mr. Chen Jiagan has also served as 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).

Mr. Chen Jiagan 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 Jiagan obtained his doctoral degree in quantitative economics from Huaqiao University (華僑大學) in 2014.

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

Mr. Chen Jiagan 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 Memorandum and Articles. Pursuant to the service agreement, the director's fee of Mr. Chen Jiagan 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 Jiagan 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 Wenjun (徐文均先生) (“**Mr. Xu**”), aged 68, is our executive Director and the chief executive officer of our Group. Mr. Xu has been a Director since 28 June 2016, being the date of incorporation of our Company. 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 17 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 is 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 agreement with the Company for an initial term of three years commencing on 26 September 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 contract. The service contract, 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 Memorandum and 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. Lin Shifeng (林世鋒先生) (“**Mr. Lin**”), aged 47, was appointed as our executive Director on 25 March 2021, has been serving as the financial controller of the Company since July 2016. Mr. Lin has participated in the management of the Group since July 2016 where he has been primarily responsible for overseeing the financial planning and accounting management of the Group.

Mr. Lin has approximately 23 years of relevant experience in accounting and finance management, where he has spent approximately 20 years in the shipping industry. Prior to joining the Group, Mr. Lin worked as a financial supervisor at Fujian Wanfeng Shoes Co., Ltd* (福建萬豐鞋業有限公司), a company principally engaged in sports products production, from July 2000 to November 2003, where he was mainly responsible for cost accounting and difference analysis, data statistics and financial statement preparation.

From November 2003 to January 2006, Mr. Lin worked as an accountant at P&O NEDLLOYD (CHINA) Ltd. Fuzhou Branch (鐵行渣華(中國)船務有限公司福州分公司), a company principally engaged in shipping business, where he was mainly responsible for cost accounting and cost control. From February 2006 to November 2007, Mr. Lin worked as an assistant accountant and cost manager at Maersk Logistics (China) Co., Ltd., a company principally engaged in container shipping, where he was mainly responsible for registering and controlling operational cost and assisting payment center to arrange operational payment.

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

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

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

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

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

As at the Latest Practicable Date, Mr. Lin is interested in 17,478,000 Shares held by Profit Source HK Trading Limited, a company directly wholly-owned by Mr. Lin.

Mr. Lin has entered into a service contract with the Company for an initial term of three years commencing on 25 March 2021, which is automatically renewable for one year after the expiry of the initial term until termination in accordance with the provisions under the service contract. The service contract may be terminated by either party by giving three months' written notice. Under the service contract, Mr. Lin is entitled to a director's fee of RMB720,000 per annum which is determined with reference to his experience, duties and responsibilities within the Company.

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

Mr. Chen Yanbiao (陳延標), aged 49, has over 18 years of commercial and strategic development experience through his management positions held in companies across property development and investment industries. Mr. Chen has been the director of Ganzhou Jinmao Property Development Co., Ltd.* (贛州金茂房地產開發有限公司) since March 2006. From August 2012 to November 2018, Mr. Chen was the legal representative and chairman of Fuzhou Dingsen Property Development Co., Ltd.* (福州鼎森房地產開發有限公司). Mr. Chen has served as the legal representative, executive director and general manager of Fujian Shangping Investment Co., Ltd.* (福建尚平投資有限公司) since May 2013. Mr. Chen completed the civil engineering course in Wuhan University of Technology in July 2005.

Mr. Chen has entered into a service agreement with the Company for an initial term of 3 years commencing from 26 March 2024, 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 Memorandum and Articles. Pursuant to the service agreement, Mr. Chen is entitled to receive remuneration in the amount of RMB840,000 per annum, which is determined by the Board with reference to the prevailing market rate and his experience, duties and responsibilities with the Company. The remuneration of Mr. Chen will be subject to review by the remuneration committee of the Company and the Board from time to time.

As at the Latest Practicable Date, Mr. Chen is interested in 32,354,686 Shares representing approximately 7.35% of the total issued share capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made reasonable enquiry, Mr. Chen (i) does not have any relationship with any other Director, senior management or substantial or controlling shareholder of the Company (as defined in the Listing Rules); (ii) does not hold other positions in the Company or its subsidiaries and has not held any other directorships in any public listed companies in the last three years preceding his appointment; and (iii) does not have any other major appointments or professional qualifications.

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

* *For identification only*

Set out below are the Proposed Amendments to the Memorandum and Articles:

Proposed Amendments

(showing changes to the existing Memorandum and Articles)

Article No.	Amendments to Memorandum and Articles
29	In addition to the giving of notice in accordance with Article 28, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the relevant Shareholders by notice to be inserted at least once in the Newspapers <u>or by any electronic means.</u>
175	(b) Subject to paragraph (c) below, every balance sheet of the Company shall be signed on behalf of the Board by two of the Directors and a copy of every balance sheet (including every document required by law to be comprised therein or annexed thereto) and profit and loss account which is to be laid before the Company at its annual general meeting, together with a copy of the Directors' report and a copy of the Auditors' report thereon, shall, not less than 21 days before the date of the meeting be delivered or sent by post <u>or in any manner in which notices and documents may be sent to Shareholders as provided in these Articles</u> together with the notice of annual general meeting to every Shareholder and every Debenture Holder of the Company and every other person entitled to receive notices of general meetings of the Company under the provisions of these Articles, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any Shares or Debentures, but any Shareholder or Debenture Holder to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application at the Head Office or the Registration Office. If all or any of the Shares or Debentures or other securities of the Company shall for the time being be (with the consent of the Company) listed or dealt in on any stock exchange or market, there shall be forwarded to such stock exchange or market such number of copies of such documents as may for the time being be required under its regulations or practice.
180	(a) Except where otherwise expressly stated, a Any notice or document (<u>including any corporate communication within the meaning ascribed thereto under the Listing Rules</u>) to be given to or by any person pursuant to these Articles shall be in writing or, to the extent permitted by the Companies 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.

- (b) ~~Except where otherwise expressly stated, a~~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 electronic means by transmitting it to any electronic number or address or website supplied by the Shareholder to the Company or by any other means authorised in writing by the Shareholder concerned or by publishing it on the Company's website to which such Shareholder may have access or (other than share certificate) by publishing it by way of advertisement in the Newspapers or by any other means as permitted by the Companies Act and the Listing Rules. 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 Act and the Listing Rules, ~~a notice or document~~ any corporate communication within the meaning ascribed thereto under the Listing Rules may be served or delivered by the Company to any Shareholder by (i) sending or otherwise making available the corporate communication to the relevant holders of its securities using electronic means or (ii) making the corporate communication available on its website and the HK Stock Exchange's website~~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.~~
- 181 (a) Any Shareholder whose registered address is outside the Relevant Territory may notify the Company in writing of an electronic address or address in the Relevant Territory which for the purpose of service of notice shall be deemed to be his registered address. Where the registered address or electronic address of the Shareholder is outside the Relevant Territory, notice, if given through the post, shall be sent by prepaid airmail letter where available.

- (b) Any Shareholder who fails (and, where a Share is held by joint holders, where the first joint holder named on the register fails) to supply his registered address or a correct registered address to the Company for service of notices and documents on him shall not (and where a Share is held by joint holders, none of the other joint holders whether or not they have supplied a registered address shall) be entitled to service of any notice or documents by the Company and any notice or document which is otherwise required to be served on him may, if the Board in its absolute discretion so elects (and subject to them re-electing otherwise from time to time), be served, in the case of notices, by displaying a copy of such notice conspicuously at the Registered Office and the Head Office or by electronic communication or, if the Board sees fit, by advertisement in the Newspapers, and, in the case of documents, by posting up a notice conspicuously at the Registered Office and the Head Office or by electronic communication addressed to such Shareholder which notice shall state the address within the Relevant Territory at which he served in the manner so described which shall be sufficient service as regards Shareholders with no registered or incorrect addresses, provided that nothing in this paragraph (b) shall be construed as requiring the Company to serve any notice or document on any Shareholder with no or an incorrect registered address for the service of notice or document on him or on any Shareholder other than the first named on the register of members of the Company.

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A notice or document may be given by the Company to the person entitled to a Share in consequence of the death, mental disorder, bankruptcy or liquidation of a Shareholder by sending it by electronic means or through the post in a prepaid envelope or wrapper addressed to him by name, or by the title of representative of the deceased, the trustee of the bankrupt or the liquidator of the Shareholder, or by any like description, at the electronic address or address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an electronic address or address has been so supplied) by giving the notice or document in any manner in which the same might have been given if the death, metal disorder, bankruptcy or winding up had not occurred.

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

NOTICE OF ANNUAL GENERAL MEETING



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 physically held at Units 5906–5912, 59/F, The Center, 99 Queen’s Road Central, Hong Kong on Tuesday, 18 June 2024 at 10:00 a.m., to transact the following businesses:

ORDINARY RESOLUTIONS

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 2023.
2.
 - (i) To re-elect Mr. Chen Jiagan as an executive Director.
 - (ii) To re-elect Mr. Xu Wenjun as an executive Director.
 - (iii) To re-elect Mr. Lin Shifeng as an executive Director.
 - (iv) To re-elect Mr. Chen Yanbiao as an executive Director.
 - (v) To authorise the board (the “**Board**”) of Directors to fix the remuneration of the Directors.
3. To re-appoint RSM Hong Kong as auditor of the Company and to authorise the Board to fix its remuneration.
4. “**THAT:**
 - (a) subject to the following provisions of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of US\$0.01 each in the share capital of the Company (the “**Shares**”), and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this resolution shall authorise 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 Memorandum and Articles 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 Memorandum and Articles 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 recognised 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 recognised 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 recognised 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 Memorandum and Articles 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 resolution as a special resolution:

7. “**THAT** the proposed amendments to the second amended and restated memorandum and articles of association of the Company as set out in Appendix III to the circular of the Company dated 23 April 2024 (the “**Circular**”) be and are hereby approved; and the third amended and restated memorandum and 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 memorandum and 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, 23 April 2024

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 13 June 2024 (Thursday) to 18 June 2024 (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 17/F, Far East Finance Centre, 16 Harcourt Road, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 12 June 2024 (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 authorised 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 authorised, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, 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 (i.e. not later than 10:00 a.m. on Sunday, 16 June 2024).

NOTICE OF ANNUAL GENERAL MEETING

5. With respect to resolution numbered 2 of this notice, Mr. Chen Jiagan, Mr. Xu Wenjun, Mr. Lin Shifeng and Mr. Chen Yanbiao shall retire from office of directorship and shall offer themselves for re-election in accordance with the Memorandum and Articles. 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 23 April 2024.

As at the date of this notice, Mr. Chen Ming, Mr. Chen Jiagan, Mr. Xu Wenjun, Mr. Lin Shifeng and Mr. Chen Yanbiao are the executive Directors, and Mr. Wei Shusong, Mr. Suen Chi Wai and Mr. Xu Jie are the independent non-executive Directors.