# 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 IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual report of Xin Yuan Enterprises Group Limited (the "**Company**", which together with its subsidiaries, the "**Group**") for the year ended 31 December 2020 published on 20 April 2021 (the "**Annual Report**"). Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Annual Report.

In addition to the information disclosed in Note 4(q)(ii) to the consolidated financial statements on page 158 of the Annual Report, the Board would like to provide the following supplementary information pursuant to Paragraph 26(2) of Appendix 16 to the Listing Rules in relation to the Group's contributions to pension schemes.

The Group participates in defined contribution retirement schemes for its employees in Hong Kong, the PRC and overseas. The Group operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the MPF Scheme vest immediately.

Pursuant to the relevant labour rules and regulations in the PRC, employees of the Group in the PRC participated in the central pension scheme (the "**Central Pension Scheme**"), which is a defined contribution plan administered by the PRC government, whereby the Group is required to make contributions to the Central Pension Scheme based on certain percentages of the employees' salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees. Contributions made to the Central Pension Scheme vest immediately.

Under the central retirement benefit scheme to which the Group's subsidiaries operating overseas are required to make contribution, no forfeited contributions will be used by the employers to reduce the existing level of contributions.

During the years ended 31 December 2019 and 2020, there were no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution, nor had there been any utilization of such forfeited contributions to reduce future contributions. As at 31 December 2019 and 2020, no forfeited contributions were available for utilization by the Group to reduce the existing level of contributions as described in paragraph 26(2) of Appendix 16 to the Listing Rules.

The above additional information does not affect any other information contained in the Annual Report. Save as disclosed in this announcement, all other information in the Annual Report remains unchanged.

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

Hong Kong, 16 September 2021

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