

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.



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 AMENDMENTS TO SUBSCRIPTION AGREEMENT AND RESUMPTION OF TRADING

References are made to the announcement of Xin Yuan Enterprises Group Limited (the “**Company**”) dated 6 January 2025 (the “**Announcement**”) in relation to the issue of new Shares under the General Mandate and the announcement of the Company dated 8 January 2025 in relation to the purported requisition for convening an extraordinary general meeting (the “**Requisition Announcement**”). Unless otherwise defined, capitalised terms used herein have the same meanings as defined in the Announcement and the Requisition Announcement.

AMENDMENTS TO THE SUBSCRIPTION AGREEMENT

On 8 January 2025, the Company and the Subscriber entered into a supplemental agreement to the Subscription Agreement (the “**Supplemental Agreement**”) to the effect that (a) the Subscription Price is adjusted from HK\$1.20 to HK\$1.215 (the “**Adjusted Subscription Price**”); and (b) the inclusion of certain warranties (“**Warranties**”) by the Company.

Adjustment to the Subscription Price

The Adjusted Subscription Price of HK\$1.215 represents:

- (i) a discount of approximately 12.59% to the closing price of HK\$1.39 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and
- (ii) a discount of 19% to the average of the closing prices per Share of HK\$1.50 as quoted on the Stock Exchange for the last five consecutive Business Days immediately preceding the date of the Subscription Agreement.

The Adjusted Subscription Price was determined with reference to the prevailing market price of the Shares between the Company and the Subscriber.

The gross and net proceeds from the Subscription will be approximately HK\$106.9 million and HK\$106.3 million, respectively. After taking into account all related costs, fees, expenses and commission of the Subscription, the net issue price of each Subscription Share is approximately HK\$1.21.

The Company intends to use (i) approximately HK\$95.7 million (approximately 90% of the Net Proceeds) to finance part of the remaining consideration in the sum of US\$25.2 million payable by the Company for the Vessel Acquisition; and (ii) approximately HK\$10.6 million (approximately 10% of the Net Proceeds) as general working capital of the Group. The Net Proceeds are expected to be fully utilized on or before 31 December 2025.

Warranties

A brief description of the principal Warranties is set out as follows:

- (a) the Company was duly incorporated and is validly subsisting and has complied with all laws, rules and regulations applicable thereto;
- (b) each of the audited financial statements of the Group for the year ended 31 December 2023 and the unaudited financial statements of the Group for the six months ended 30 June 2024 were complete and accurate and showed a true and fair view of the financial position of the Group as at the respective dates; there have been no material adverse changes after the said dates;
- (c) the operations of each member of the Group have been running in compliance with its constitutional document, licence or permit and no member of the Group has received any receivership or petition for being wound up;
- (d) the Group owns its assets properly;
- (e) the information in the Subscription Agreement about the Group is true and accurate;
- (f) the Company is the legal owner of the shares of its subsidiaries free from encumbrances;
- (g) save for the share option scheme adopted by the Company on 6 September 2018, the Company does not maintain other share option scheme or has any securities convertible into Shares.

Save and except for the aforesaid changes, all the terms and conditions of the Subscription Agreement remain unchanged and continue in full force and effect.

INFORMATION OF THE SUBSCRIBER

The Subscriber is an investment holding company and is ultimately held by two individuals, namely Mr. Tsang Eric Fan Zee and Mr. Li, Nigel Yiu Kee in equal shares. Both Mr. Tsang Eric Fan Zee and Mr. Li, Nigel Yiu Kee are Independent Third Parties independent of, and not connected with the Company and its connected persons.

NO EFFECT OF REQUISITION ON THE SUBSCRIPTION

The Board, with the advice of its legal advisers, TWSL Partners, considers that the proposed resolutions under the New Purported Requisition, which shall become effective upon being passed by Shareholders in the EGM, could not restrain the Directors in exercising the rights to issue Shares under the General Mandate.

RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 7 January 2025 pending the publication of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 January 2025.

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

By Order of the Board
XIN YUAN ENTERPRISES GROUP LIMITED
Chen Jiagan
Chairman & Executive Director

Hong Kong, 8 January 2025

As at the date of this announcement, Mr. Chen Ming, Mr. Chen Jiagan, Mr. Xu Wenjun, Mr. Chen Yanbiao, Mr. Lin Shifeng and Ms. Liu Weipeng are the executive Directors, and Mr. Wei Shusong, Mr. Xu Jie and Mr. Chong Hon Wang are the independent non-executive Directors.