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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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 the 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)

**PROPOSED APPOINTMENT OF AUDITOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Unless otherwise requires, capitalized terms used on this cover shall have the same meanings as those defined in the circular.

The letter from the Board is set out on pages 3 to 8 of this circular.

A notice dated 22 April 2026 convening the EGM to be held at 11:00 a.m. on Friday, 8 May 2026 at Units 5906–5912, 59/F., The Center, 99 Queen’s Road Central, Hong Kong is set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you intend to attend the EGM, 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 EGM (i.e. not later than 11:00 a.m. on Wednesday, 6 May 2026) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

22 April 2026

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions shall have the following meanings:

“AFRC”	the Accounting and Financial Reporting Council
“Allegations”	the allegations as set out in the Company’s announcement dated 21 February 2025
“Announcements”	the announcements of the Company dated 31 March 2026 and 16 April 2026 in relation to, among other things, the Proposed Appointment of Auditor
“Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“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
“EGM”	the extraordinary general meeting of the Company to be convened and held at 11:00 a.m. on Friday, 8 May 2026 at Units 5906–5912, 59/F., The Center, 99 Queen’s Road Central, Hong Kong or any adjournment thereof, notice of which is set out on pages EGM-1 to EGM-2 of this circular
“FY2024 and FY2025 Audit”	the audit of the Company’s consolidated financial statements for the years ended 31 December 2024 and 2025
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Prism Hong Kong”	Prism Hong Kong Limited, a registered public interest entity auditor under the Accounting and Financial Reporting Council Ordinance (Cap. 588 of the Laws of Hong Kong)

DEFINITIONS

“Proposed Appointment of Auditor”	the proposed appointment of Prism Hong Kong as the new auditor of the Company
“RSM Concerns”	the concerns of RSM Hong Kong (the ex-auditor of the Company) regarding the draft investigation report as to whether the methodology and scope adopted in the investigation are sufficient to identify, assess and remediate all relevant issues arising from the Allegations
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

LETTER FROM THE BOARD



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 Jiagan (*Chairman*)
Mr. Xu Wenjun (*Chief executive officer*)
Mr. Chen Ming
Mr. Lin Shifeng
Mr. Chen Yanbiao
Ms. Liu Weipeng
Mr. Liu Dunyu

Independent Non-executive Directors:

Mr. Xu Jie
Mr. Wei Shusong
Dr. Chen Siru
Mr. Yeung Chi Tat
Ms. Liu Xueying

Registered Office in the Cayman Islands:

P.O. Box 31119
Grand Pavilion Hibiscus Way
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Grand Cayman KY1-1205
Cayman Islands

*Head office and principal place
of business in the PRC:*

Room 02-05, 40th Floor
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Taijiang, Fuzhou
China

Principal place of business in Hong Kong:

Unit 1509, 15/F
Star House
No. 3 Salisbury Road
Tsim Sha Tsui
Kowloon
Hong Kong

22 April 2026

To the Shareholders,

Dear Sir or Madam,

**PROPOSED APPOINTMENT OF AUDITOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

Reference is made to the Announcements in relation to, among other things, the Proposed Appointment of Auditor. The purpose of this circular is to provide you with, among other things, (i) further information on the Proposed Appointment of Auditor; and (ii) a notice convening the EGM.

2. PROPOSED APPOINTMENT OF AUDITOR

The Board, having considered the recommendation of the Audit Committee, has resolved to propose to appoint Prism Hong Kong as the new auditor of the Company to fill the casual vacancy in the office of the auditor following the resignation of RSM Hong Kong as the auditor of the Company with effect from 31 March 2026.

The Audit Committee has considered a number of factors in assessing the proposed appointment of Prism Hong Kong as the new auditor of the Company, including but not limited to (i) its reputation in the market; (ii) its experience, industry knowledge and technical experience in auditing companies listed on the Main Board of the Stock Exchange; (iii) its proposed audit fees; (iv) its demonstrated independence from the Group in ensuring objectivity; (v) its resources and capabilities, including the size and structure of the proposed audit team; (vi) Guidelines for Effective Audit Committees — Selection, Appointment and Reappointment of Auditors (the “**Guide**”) published by the AFRC; and (vii) Guidance Notes on Change of Auditors published by the AFRC.

The Audit Committee has considered section 2, particularly paragraph 2.2.4 of the Guide, and is of the view that, subject to (i) the approval of the Shareholders at the EGM; and (ii) satisfactory completion of Prism Hong Kong’s acceptance procedures, including applicable independence and conflict checks, and Prism Hong Kong being satisfied that it is able to accept the engagement in compliance with applicable professional and ethical requirements, Prism Hong Kong is considered by the Audit Committee to (a) be independent, competent and capable to perform the FY2024 and FY2025 Audit; and (b) have sufficient and appropriate manpower, expertise, time and resources to carry out the necessary audit procedures to achieve the proposed audit timetable without compromising the audit quality.

Set out below are the specific factors considered by the Audit Committee regarding the Proposed Appointment of Auditor:

- (a) ***Governance and leadership*** — Prism Hong Kong has been established in Hong Kong for more than 10 years and is a registered Public Interest Entity auditor under the Accounting and Financial Reporting Council Ordinance (Cap. 588 of the Laws of Hong Kong). Prism Hong Kong has 3 branches across Hong Kong and Mainland China with more than 50 qualified accountants. Prism Hong Kong has implemented and maintains a quality management system which is in full compliant with the Hong Kong Standard on Quality Management 1 Quality Management for Firms that Perform Audits or Reviews on Financial Statements, or Other Assurance or Related Services Engagements. This framework enables Prism Hong Kong to identify, assess and respond to quality risks in a systematic and proactive manner.

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- (b) ***Compliance with relevant ethical requirements*** — Based on the information provided by Prism Hong Kong, it maintains strict independence and objectivity in accordance with the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants. Prism Hong Kong is in the process of conducting a thorough set of acceptance procedures, including applicable independence and conflict checks to confirm that there are no financial, business, employment or personal relationships between Prism Hong Kong (including its partners and audit team members) and the Company, the Directors or the Company’s substantial shareholders that may impair Prism Hong Kong’s independence. The Audit Committee also noted that Prism Hong Kong has put in place rigorous internal quality control procedures, including mandatory audit partner rotation every seven years and an independent engagement quality control review process to ensure that all audit work remains objective, impartial and free from any conflicts of interest.
- (c) ***Industry knowledge and technical competence*** — Prism Hong Kong has a solid track record of providing audit and assurance services to over 70 companies listed in Hong Kong. The engagement partner and the engagement quality control reviewer partner has more than 20 and 10 years of experience in providing auditing services to companies listed in Hong Kong, respectively. In particular, the engagement partner has performed audits for more than 10 companies in their resumption process. The Audit Committee also understands from Prism Hong Kong that in addition to the engagement partner and the engagement quality control reviewer partner, the audit engagement team will also comprise one senior audit manager, one audit manager, two senior associates and four audit associates. Each of the engagement partner, the engagement quality control reviewer partner, the senior audit manager and the audit manager is a Hong Kong Certified Public Accountant who has extensive audit experience to complete audit engagements for companies listed in Hong Kong.
- (d) ***Engagement performance*** — The Audit Committee has discussed with Prism Hong Kong on its preliminary audit plan (the “**Audit Plan**”) which sets out the proposed audit methodology, indicative composition of the audit engagement team, proposed audit timetable, etc. for the purpose of assessing whether Prism Hong Kong would have the resources and capability to undertake the audits if appointed. Having reviewed the Audit Plan and the profiles of the audit engagement team, the Audit Committee is satisfied that the audit engagement team would have sufficient resources, including expertise and time to perform high quality audits.
- (e) ***Communication and interaction with the Audit Committee*** — Subject to its formal appointment and completion of its acceptance procedures, Prism Hong Kong intends to maintain communication with the Audit Committee and the Company’s management (the “**Management**”) on the audit progress from time to time to ensure key audit matters will be properly addressed in a timely manner.
- (f) ***Monitoring process*** — To the best knowledge of the Audit Committee, it is not aware of any behavior or activities from Prism Hong Kong that will threaten its integrity, objectivity and independence or adversely affect its audit quality.

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- (g) **Proposed audit fees** — The Company obtained audit fee proposals from three audit firms (including Prism Hong Kong) and the Audit Committee considered these proposed fees together with the respective manpower, reputation and experience in performing audits for companies during the resumption process, etc. Having considered the nature and complexity of the FY2024 and FY2025 Audit, the Audit Committee is of the view that Prism Hong Kong’s proposed audit fee is fair and reasonable.
- (h) **Proposed audit plan and timetable** — Prism Hong Kong will adopt a risk-based audit approach whereby Prism Hong Kong will obtain an understanding of the Company’s internal controls and focus its auditing efforts on areas with the highest risk of material misstatement. Set out below is Prism Hong Kong’s proposed audit timetable:

Early to mid-April 2026	<ul style="list-style-type: none">• Audit planning meeting with the Audit Committee and the Management
Late April to mid-June 2026	<ul style="list-style-type: none">• Performing audit field work
June 2026	<ul style="list-style-type: none">• Communicate audit findings with the Audit Committee and the Management• Resolution of any identified audit matters• Finalize the annual results announcements for the financial years ended 31 December 2024 and 2025

The Audit Committee has discussed with Prism Hong Kong regarding the Allegations and provided them with a copy of the draft investigation report in relation to the Allegations. Pursuant to the discussions between the Audit Committee and Prism Hong Kong, it is noted that Prism Hong Kong is fully aware of the RSM Concerns. While the special investigation committee has been working closely with the independent forensic investigator to address the limitations identified in the RSM Concerns (the “**Limitations**”), Prism Hong Kong is of the view that the RSM Concerns had to be addressed by extending the scope of work by the independent forensic investigator. In the event when some of the Limitations could not be fully addressed, Prism Hong Kong would assess the feasibility of alternative procedures to complete the FY2024 and FY2025 Audit, depending on the nature of the remaining Limitations.

Having reviewed and considered the Audit Plan, including the audit methodology, composition of the audit engagement team, proposed audit timetable, and taking into account the deadline for the Company to fulfil the resumption guidance, the Audit Committee is of the view that the Audit Plan and the proposed audit timetable is reasonable and sufficient for Prism Hong Kong to carry out necessary audit procedures without compromising the audit quality, and that Prism Hong Kong’s resources are adequate to achieve the proposed audit timetable which would enable the Company to complete the FY2024 and FY2025 Audit as soon as possible to meet the resumption deadline.

LETTER FROM THE BOARD

Based on the above, the Audit Committee has assessed and considered Prism Hong Kong is eligible and suitable to act as the new auditor of the Company, and would have the competence, capability and resources to perform high quality audit. The Board and the Audit Committee are of the view that the Proposed Appointment of Auditor would enable the Company to complete the FY2024 and FY2025 Audit as soon as practicable and is in the interest of the Company and the Shareholders as a whole.

The Board and the Audit Committee confirm that, save as disclosed in this circular, there are no other circumstances or matters in connection with the Proposed Appointment of Auditor that should be brought to the attention of the Shareholders.

3. EGM

Pursuant to Article 176(a) of the Articles of Association, the Proposed Appointment of Auditor is subject to the approval by an ordinary resolution of the Shareholders at a general meeting.

The Company will convene the EGM at 11:00 a.m. on Friday, 8 May 2026 at Units 5906–5912, 59/F., The Center, 99 Queen’s Road Central, Hong Kong to consider and, if thought fit, to pass resolution in respect of the matter set out in the notice of the EGM. A form of proxy has been despatched (if requested) to the Shareholders in accordance with the Listing Rules on 22 April 2026. The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you are able to attend the EGM, please complete the accompanying form of proxy in accordance with the instructions printed on the form and return it to the office of the branch share registrar of the Company, 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 later than 48 hours before the time appointed for holding the EGM (i.e. not later than 11:00 a.m. on Wednesday, 6 May 2026) or any adjournment of that meeting. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM or any adjournment of that meeting should you so desire.

In accordance with 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 EGM, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands. Accordingly, save for purely procedural or administrative matters, the voting on the resolution at the EGM will be conducted by a way of poll.

4. CLOSURE OF REGISTER OF MEMBERS

In order to determine the Shareholders’ entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 5 May 2026 to Friday, 8 May 2026, both days inclusive, during which no transfer of shares can be registered. In order to qualify for attending and voting at the EGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road,

LETTER FROM THE BOARD

Hong Kong for registration not later than 4:30 p.m. on Monday, 4 May 2026. The record date for determining the entitlement of the Shareholders to attend and vote at the EGM will be Friday, 8 May 2026.

5. RECOMMENDATION

The Directors are of the view that the Proposed Appointment of Auditor is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommended the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, 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.

7. GENERAL

Unless otherwise specified, the English text of this circular shall prevail over the Chinese text in case of inconsistency.

Yours faithfully,
For and on behalf of the Board
XIN YUAN ENTERPRISES GROUP LIMITED
Chen Jiagan
Chairman

NOTICE OF EGM



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 OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Xin Yuan Enterprises Group Limited (the “Company”) will be held at 11:00 a.m. on Friday, 8 May 2026 at Units 5906–5912, 59/F., The Center, 99 Queen’s Road Central, Hong Kong, to consider and, if thought fit, pass the following resolution:

Ordinary Resolution

1. To consider and, if thought fit, to approve the appointment of Prism Hong Kong Limited as the auditor of the Company with immediate effect after the conclusion of the EGM, and to hold office until the conclusion of the next annual general meeting of the Company, and to authorize the Board to determine its remuneration.

By order of the Board

XIN YUAN ENTERPRISES GROUP LIMITED

Chen Jiagan

Chairman

Hong Kong, 22 April 2026

*Registered office in
the Cayman Islands:*

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Kowloon
Hong Kong

NOTICE OF EGM

Notes:

1. The record date for determining the entitlement of the Shareholders to attend and vote at the EGM will be Friday, 8 May 2026. For the purpose of determining the identity of the shareholders entitled to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 5 May 2026 to Friday, 8 May 2026, 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, Hong Kong for registration not later than 4:30 p.m. on Monday, 4 May 2026.
2. A member of the Company entitled to attend and vote at the EGM 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 EGM (i.e. not later than 11:00 a.m. on Wednesday, 6 May 2026).

As at the date of this notice, Mr. Chen Jiagan, Mr. Xu Wenjun, Mr. Chen Ming, Mr. Lin Shifeng, Mr. Chen Yanbiao, Ms. Liu Weipeng and Mr. Liu Dunyu are the executive directors of the Company, and Mr. Xu Jie, Mr. Wei Shusong, Dr. Chen Siru, Mr. Yeung Chi Tat and Ms. Liu Xueying are the independent non-executive directors of the Company.