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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)

SUPPLEMENTARY ANNOUNCEMENT
ADJUSTED FINANCIAL INFORMATION

This announcement is made by Xin Yuan Enterprises Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") in accordance with Rule 13.09(2)(a) of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "**SFO**").

Reference is made to the announcement (the "**Announcement**") of the Company dated 13 August 2026 in relation to the key findings of the forensic investigation. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

ADJUSTED FINANCIAL INFORMATION FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2019 AND 2020

The Board hereby announces that the audit committee of the Board (the "**Audit Committee**") has reviewed the Investigation Report and discussed the potential financial impact of the key findings with the Company's auditor, CLA Prism Hong Kong Limited (formerly known as Prism Hong Kong Limited) (the "**Auditor**"). The Audit Committee and the Auditor consider that the published financial statements of the Company for FY2019 (the "**FY2019 Published FS**") and the financial year ended 31 December 2020 ("**FY2020**") (the "**FY2020 Published FS**") contain an omission of liabilities and related disclosures in respect of the RMB212 Million Loan (comprising the RMB12 Million Loan and the RMB200 Million Loan) and the corresponding impact of such omission was carried forward to the Company's financial statements for FY2020 until the transfer of the debt by the Company to Xinghua Wealth in May 2020 (the "**Omission**").

The following table sets forth the adjustments resulting from the Omission to the line items in the Company's published consolidated financial statements for FY2019 and FY2020 (the "**Adjustments**"):

(a) Consolidated financial position as at 31 December 2019

	As at 31 December 2019		
	As per the FY2019 Published FS	**Adjusted figure**	**Adjustment**
	US$'000	*US$'000*	*US$'000*
Assets			
Other receivables, deposits and prepayments	1,643	32,032	30,389
Total current assets	10,033	40,422	30,389
Total assets	218,965	249,354	30,389

	As at 31 December 2019		
	As per the FY2019 Published FS	**Adjusted figure**	**Adjustment**
	US$'000	*US$'000*	*US$'000*
Equity and liabilities			
Borrowings	27,831	58,220	30,389
Other payables and accruals	1,813	2,281	468
Total current liabilities	43,672	74,529	30,857
Reserves	101,090	100,622	(468)
Total equity	105,090	104,622	(468)
Total equity and liabilities	218,965	249,354	30,389

(b) Consolidated statement of profit or loss for FY2019

	FY2019		
	As per the FY2019 Published FS	**Adjusted figure**	**Adjustment**
	US$'000	*US$'000*	*US$'000*
Finance costs	(6,087)	(6,555)	(468)
Profit before tax	6,004	5,536	(468)
Profit for the year	6,004	5,536	(468)
Total comprehensive income for the year	5,986	5,518	(468)

(c) Consolidated statement of profit or loss for FY2020

	FY2020 As per the FY2020 Published FS	Adjusted figure	Adjustment
	US$'000	*US$'000*	*US$'000*
Other income	634	1,102	468
Profit before tax	8,608	9,076	468
Profit for the year	8,603	9,071	468
Total comprehensive income for the year	8,588	9,056	468

The Adjustments relate to an unrecorded RMB212 Million Loan, comprising funds borrowed in the Company's name in October and November 2019. The related loan proceeds were received by individuals for and on the Company's behalf and were not recorded in the Company's books and records. Accordingly, as at 31 December 2019, borrowings of RMB212 million and corresponding receivables were omitted from the FY2019 Published FS. The Adjustments recognize borrowings and corresponding receivables of approximately US$30.389 million, translated at the applicable reporting-date exchange rate.

Pursuant to the RMB200 Million Loan Agreement dated 11 November 2019, the RMB200 Million Loan bore interest at a rate of 1% per month. Interests accrued on the RMB200 Million Loan amounted to approximately US$468,000 for FY2019. Accordingly, for FY2019, interest expenses of US$468,000 was omitted from the FY2019 Published FS. The Adjustments recognize interest expenses and corresponding other payables and accruals of US$468,000.

The effects of the unrecorded RMB212 million borrowings were carried forward into FY2020 until the transfer of the repayment obligation in respect of the relevant debt to Xinghua Wealth on 10 May 2020 (the "**Transfer of Debt**"). Given that the RMB212 Million Loan arose in FY2019 and was transferred in May 2020, the matter does not give rise to any continuing unrecorded liability in the Group's financial position as at the date of this announcement. Apart from reflecting the accounting effect of the Transfer of Debt and the carry-through effect of the Omission as at 31 December 2019 up to the date of the Transfer of Debt, no further adjustment or restatement of the statement of financial position of FY2020 is required. As part of the Adjustments, the interest expenses of US$468,000 recognised in FY2019 is reversed and recognised as other income in FY2020. The Omission had no net impact on the Group's equity as at 31 December 2020.

Except for the matters disclosed above, the Audit Committee and the Auditor consider that the findings of the Forensic Investigation do not require any further adjustments to, restatement of, or additional disclosures in the Company's published financial statements for FY2019 and FY2020 through 2025.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 21 February 2025 and will remain suspended until the Company fulfils the resumption guidance. The Company will make further announcement(s) as appropriate or as required under the Listing Rules and the SFO.

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

By order of the Board
XIN YUAN ENTERPRISES GROUP LIMITED
Liu Dunyu
Executive Director

Hong Kong, 13 September 2026

As at the date of this announcement, Mr. Chen Ming, Mr. Chen Yanbiao, Ms. Liu Weipeng, Mr. Liu Dunyu and Mr. Tang Xuming are the executive Directors, and Mr. Xu Jie, Dr. Chen Siru, Mr. Yeung Chi Tat and Ms. Liu Xueying are the independent non-executive Directors.