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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)

INSIDE INFORMATION

(1) CHANGE IN AUDITOR;

(2) DELAY IN PUBLICATION OF ANNUAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2025; AND

(3) CONTINUED SUSPENSION OF TRADING

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) and 13.51(4) 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).

RESIGNATION OF AUDITOR

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that RSM Hong Kong (“**RSM**”) resigned as the auditor of the Company (the “**Resignation**”) with effect from 31 March 2026 as RSM is unable to agree on the timetable for the audit of the Company’s financial statements for the years ended 31 December 2024 and 2025.

As stated in RSM’s resignation letter (the “**Resignation Letter**”), there remains significant uncertainty regarding the timing, final scope, content and conclusions of the forensic investigation report and the internal control review report in relation to certain allegations set out in the Company’s announcement dated 21 February 2025. In particular, RSM has concerns 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. Certain facts and circumstances surrounding the matters under investigation, including the commercial substance, business rationale and individuals involved, remain unclear and insufficiently addressed. Based on RSM’s review up to the date of the Resignation Letter, RSM considers that the latest draft investigation report is inadequate for its audit purposes.

Consequently, the audit scope and any necessary additional audit procedures cannot be reasonably determined at this stage, and RSM is unable to confirm or commit that all required audit work can be completed, or that an audit opinion can be issued, in accordance with the Company's proposed resumption timetable.

RSM has confirmed that save for the foregoing, there are no other matters in relation to their resignation that need to be brought to the attention of the shareholders of the Company (the "**Shareholders**").

The Board and the audit committee of the Board (the "**Audit Committee**") have also confirmed that save as disclosed in this announcement, they are not aware of any unusual or unresolved matter between the Company and RSM and there are no other matters in connection with the Resignation that need to be brought to the attention of the Shareholders and the Stock Exchange.

The Board would like to take this opportunity to express its sincere gratitude to RSM for its professional services provided to the Group in the past years.

PROPOSED APPOINTMENT OF AUDITOR

The Board hereby announces that, having considered the recommendation of the Audit Committee, it has resolved to propose to appoint Prism Hong Kong Limited ("**Prism Hong Kong**") as the new auditor of the Company (the "**Proposed Appointment**").

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 published by the Accounting and Financial Reporting Council (the "**AFRC**"); and (vii) Guidance Notes on Change of Auditors published by the AFRC.

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. The Board and the Audit Committee are of the view that the change of auditor of the Company would maintain audit quality and enable the Company to complete the audit of the Company's consolidated financial statements for the years ended 31 December 2024 and 2025 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 announcement, there are no other circumstances or matters in connection with the Proposed Appointment that should be brought to the attention of the Shareholders.

THE EXTRAORDINARY GENERAL MEETING

Pursuant to Article 176(a) of the Company's articles of association, the Proposed Appointment is subject to the approval by an ordinary resolution of the Shareholders at a general meeting.

Accordingly, the Company will convene an extraordinary general meeting (the "EGM") for the purposes of considering and, if thought fit, approving the Proposed Appointment. A circular containing, among other things, further information on the Proposed Appointment together with a notice convening the EGM will be despatched to the Shareholders in due course.

DELAY IN PUBLICATION OF THE 2025 ANNUAL RESULTS

Pursuant to Rules 13.49(1) and 13.46(2) of the Listing Rules, the Company is required to (i) publish the annual results of the Group for the financial year ended 31 December 2025 (the "**2025 Annual Results**") not later than three months after the end of the financial year, i.e. on or before 31 March 2026; and (ii) despatch the annual report for the year ended 31 December 2025 (the "**2025 Annual Report**") to the Shareholders not later than four months after the end of the financial year, i.e. on or before 30 April 2026.

Given (a) as at the date of this announcement, the Company is yet to publish the annual results of the Group for the financial year ended 31 December 2024 (the "**2024 Annual Results**") and the annual report for the year ended 31 December 2024 and that the 2025 Annual Results and 2025 Annual Report will contain certain audited financial information from the 2024 Annual Results; (b) the Resignation; and (c) the Proposed Appointment is subject to approval by the Shareholders at the EGM, the Company is unable to publish the 2025 Annual Results and despatch the 2025 Annual Report within the prescribed period in accordance with the Listing Rules.

Rule 13.49(3) of the Listing Rules provides that where the Company is unable to issue its preliminary results, it must announce its results based on the financial results which have yet to be agreed with the auditor (so far as the information is available). The Board, after due and careful consideration, is of the view that it would not be appropriate for the Company to publish the unaudited management accounts of the Group for the year ended 31 December 2025 under Rule 13.49(3) of the Listing Rules, as such information is subject to finalization and audit and may be misleading to the Shareholders and potential investors.

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.

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
Chen Jiagan
Chairman & Executive Director

Hong Kong, 31 March 2026

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