新明中国控股
XINMING CHINA

Xinming China Holdings Limited
新明中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2699)

PROFIT WARNING

This announcement is published by Xinming China Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders (the "**Shareholders**") and potential investors of the Company that, based on the information currently available to the Company, the Group is expected to record a loss of not more than RMB82 million for the six month ended 30 June 2020 (the "**Period**") as compared to a loss of approximately RMB6.5 million for the corresponding period in 2019. The expected loss is mainly attributable to (1) the increase of other expenses, which was mainly due to the provision on interest penalty for certain default and cross-default borrowings under the terms of contract of not more than RMB62 million during the period; (2) the loss of change on fair value of investment property of not more than RMB20 million during the period; and (3) properties sales inevitably grinded to halt due to the outbreak of novel coronavirus (COVID-19) in the first quarter of 2020. Despite there was slight improvement on the sales of commercial properties in the second quarter, the sales were still in a weak state.

The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Company for the six months ended 30 June 2020 and the information currently available, which have not been confirmed or reviewed by the auditor or the audit committee of the Company. Please note that the Company is still in the process of finalizing its interim results for the six months ended 30 June 2020 and the results may be subject to further revision. Shareholders and potential investors are advised to carefully read the interim results announcement of the Group for the six months ended 30 June 2020 for further details.

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

By order of the Board
Xinming China Holdings Limited
Chen Chengshou
Chairman and Chief Executive Officer

Hong Kong, 20 August 2020

As at the date of this announcement, the executive Directors are Mr. Chen Chengshou, Mr. Feng Cizhao and Mr. Pu Wei; the non-executive Directors are Ms. Gao Qiaoqin and Mr. Chou Chiu Ho and the independent non-executive Directors are Mr. Fong Wo, Felix, Mr. Gu Jiong and Mr. Lo Wa Kei, Roy.