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 significant increase in loss attributable to owners of the Company for the six months ended 30 June 2021 (the "**Period**") by approximately RMB300 million as compared to a loss of approximately RMB71.6 million for the corresponding period in 2020 ("**Profit Warning**"), representing an increase of approximately 320%. The expected loss is mainly attributable to (1) the increase in other expenses, representing provisions for relevant interest penalty and penalty charged on loan default payment of approximately RMB207.0 million pursuant to the certain in default borrowings during the Period; (2) the decrease in sales by approximately RMB65.2 million as a result of the weakened demand in property market compared to that of the corresponding period in 2020 due to the outbreak of COVID-19; and (3) the impairment of certain properties under development of approximately RMB65.4 million.

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 Period 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 Period 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 Period for further details.

Reference is made to the announcements of the Company dated 24 November 2020 and 22 December 2020 relating to the appointment of receiver over certain shares of the Company (the "**Receivership**"), the announcements of the Company dated 15 May 2018 and 10 October 2019 in relation to the issue of convertible bonds to Chance Talent Management Limited and the announcements of the Company (collectively, the "**Rule 3.7 Announcements**") dated 22 December 2020, 21 January 2021, 22 February 2021, 22 March 2021, 21 April 2021, 25 May 2021, 22 June 2021 and 22 July 2021 made pursuant to Rule 3.7 of the Code on Takeovers and Mergers and Share Buy-backs (the "**Takeovers Code**").

Under Rule 10 of the Takeovers Code, the Profit Warning contained in this announcement constitutes a profit forecast, and the financial advisor of the Company and its accountant shall issue a report in accordance with Rule 10.4 of the Takeovers Code. As this announcement is published pursuant to Rule 13.09 of 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), it is required that the Company shall disclose any inside information as soon as practicable. In light of the time limitation, there are actual difficulties (whether time or other aspects) when the Company wishes to comply with the requirements as set out in Rule 10.4 of the Takeovers Code. Accordingly, this announcement does not comply with the standards as prescribed by Rule 10 of the Takeovers Code. Under Rule 10.4 of the Takeovers Code and Practice Note 2 of the Takeovers Code, the report issued by the financial advisor and auditor of the Company or the consultancy accountant in respect of the Profit Warning shall be contained in the next document to be despatched to Shareholders (the "**Shareholders' Document**"). It is expected that the interim results announcement will be published on 30 August 2021, and will be published prior to the despatch of the next Shareholders' Document. Therefore, the requirement under Rule 10 of the Takeovers Code in relation to reporting on of the Profit Warning of the Period will be replaced by the publication of the interim results announcement together with notes to financial statements.

Shareholders and potential investors of the Company should note that this announcement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the possible mandatory general offer for the securities of the Company as referred to in the Rule 3.7 Announcements.

There is no assurance that the Receivership will result in a change of controlling shareholder and it may or may not lead to general offer under Rule 26.1 of the Takeovers Code for the securities of the Company. Shareholders and public investors should exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

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

Hong Kong, 20 August 2021

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, Mr. Chou Chiu Ho and Mr. Choi Clifford Wai Hong; and the independent non-executive Directors are Mr. Fong Wo, Felix, Mr. Lo Wa Kei, Roy and Mr. Khor Khie Liem Alex.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

If there is any discrepancy between the English version and the Chinese translation, the English version shall prevail.