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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)

VOLUNTARY ANNOUNCEMENT: UPDATES ON MEASURES TAKEN BY THE COMPANY TO IMPROVE THE GROUP'S LIQUIDITY AND FINANCIAL POSITION

Reference is made to the unaudited interim results announcement dated 30 August 2021 of Xinming China Holdings Limited (“**Company**” and together with its subsidiaries, “**Group**”) for the six months ended 30 June 2021 and interim report of the Company dated 27 September 2021 (the “**2021 Interim Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the 2021 Interim Report.

The Board wishes to provide the Shareholders and potential investors of the Company updates on the measures taken by the Company to improve the Group’s liquidity and financial position, and repay overdue interest to financial institutions (the “**Measures**”).

UPDATES ON THE MEASURES

- (i) continuously negotiating with the Group’s existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default, including those with cross-default terms;**

Some of the existing lenders have demanded repayment of the borrowings together with interest payment. The Management is proactively liaising with the lenders to restructure the terms including but not limited to the extension of the maturity date and the repayment schedule of the outstanding borrowings.

- (ii) continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests;**

The Management has been negotiating with existing lenders in relation to renewal of or extension for repayment of outstanding borrowings. As of 30 November 2021, total principal amount of RMB1,973.9 million was still outstanding, while an aggregate outstanding interest of approximately RMB223.9 million was overdue. Based on the latest discussion with various financial institutions, the Management understood that there will be no additional interest penalty.

- (iii) continuously negotiating with various financial institutions and potential lenders/investors to identify various options for additionally financing the Group's working capital and commitments in the foreseeable future;**

As of the date of this announcement, the Company is in negotiations with existing and other banks and financial institutions to obtain additional financing through providing land held by the Group as security.

- (iv) accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and Chongqing Project and controlling costs and containing capital expenditure so as to generate adequate net cash inflows;**

The first and second phases of the pre-sale of Shandong Project commenced in January and May 2021, respectively, and the third phase of the pre-sale of Shandong Project is expected to commence in January 2022. A significant portion of the net proceeds from the Shandong Project will be utilized to repay outstanding borrowings.

- (v) actively looking for large property development enterprises and cooperating with investors to develop properties under development of the Group through joint efforts; and**

The Management has been negotiating with two property development enterprises to develop the Chongqing Project. In the event that the Company is able to enter into a binding agreement with the property development enterprises in the first half of 2022, it is estimated that development of the Chongqing Project could be commenced in the second half of 2022.

- (vi) actively procuring and negotiating the preliminary terms with large property development enterprises for the sale of individual property development project or whole commercial property at a price deemed appropriate.**

The Company has been negotiating with several potential purchasers for sale of the whole property development project in Shanghai. The Management estimates that a substantial portion of the net proceeds from the Shanghai Project will be utilized to

repay outstanding borrowings. The disposal of the Shanghai Project may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules and will be subject to the relevant Listing Rule requirements.

The Company will keep its shareholders informed by publishing further announcement(s) setting out any developments and updates on the disposal of the existing projects and/or renewal of or extension for repayment of outstanding borrowings and the re-financing of such borrowings.

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

Hong Kong, 30 December 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. Choi Clifford Wai Hong and Mr. Zhou Zhencun; and the independent non-executive Directors are Mr. Khor Khie Liem Alex, Mr. Chiu Kung Chak and Mr. Lau Wai Leung, Alfred.