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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)

INSIDE INFORMATION LIQUIDATION MATTERS IN RELATION TO A SUBSIDIARY

This announcement is made by Xinming China Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 and 13.25(1) 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).

LIQUIDATION MATTERS IN RELATION TO A SUBSIDIARY

On 7 January 2022, the Company received a judgment (the “**Judgment**”) made by Chongqing No.5 Intermediate People’s Court (重慶市第五中級人民法院) (the “**People’s Court**”) of the People’s Republic of China (the “**PRC**”) dated 27 December 2021 pursuant to a liquidation petition dated 20 October 2021 (the “**Liquidation Petition**”) filed by Chongqing Chunjiang Coated Glass Co., Ltd.* (重慶春江鍍膜玻璃有限公司) (the “**Applicant**”) against Chongqing Xinming Property Company Limited* (重慶新明置業股份有限公司) (“**Chongqing Xinming**”), an indirect non-wholly owned subsidiary of the Company.

Shanghai SGLA (Chongqing) Law Firm* (上海中聯(重慶)律師事務所) has been designated as the manager (the “**Manager**”) of Chongqing Xinming by the People’s Court. According to the announcement issued by the People’s Court, the first creditors’ meeting will be held on 24 February 2022.

The Liquidation Petition was filed on the ground that Chongqing Xinming was unable to settle its debt due in the sum of approximately RMB0.81 million based on judgments made by Chongqing Hechuan District People’s Court (重慶市合川區人民法院). Chongqing Xinming has not settled its debt due to the Applicant as at the date of this Announcement.

INFORMATION ABOUT CHONGQING XINMING

Chongqing Xinming is a company established in the PRC with limited liability and is an indirect non-wholly owned subsidiary of the Company. It is principally engaged in properties development and properties investment.

As the revenue of Chongqing Xinming represented more than 5% of the total revenue of the Group for the year ended 31 December 2020, Chongqing Xinming is considered as a major subsidiary of the Company for the purposes of Rule 13.25(2) of the Listing Rules.

EFFECTS OF THE JUDGMENT ON THE GROUP

The management of the Company (the “**Management**”) anticipates that the claims by third-party creditors and net amount due to other subsidiaries within the Group are approximately RMB450 million and RMB600.3 million, respectively. Having considered the assets status, industry prospects and reasons for the temporarily difficulties of Chongqing Xinming to pay its debts, the Management intends to make an application to the People’s Court within the prescribed time limit to undergo a liquidation reorganisation plan. Further, the Management will actively communicate and negotiate with the Manager during the period of liquidation reorganisation and strive to introduce strategic investors or property development companies to jointly develop the remaining land of Chongqing Xinming. The Company will inform the shareholders of the Company and potential investors any updates regarding the subsequent proceedings.

As a result of the Judgment, subject to the conclusion of the audit, the Management is preliminary of the view that the financial results of Chongqing Xinming is expected to be deconsolidated from those of the Group for the year ended 31 December 2021. Given that the final outcome of Chongqing Xinming’s liquidation is uncertain, the specific impact on the Company is still unclear. Currently, the Group’s other business operations are normal, and the above-mentioned matters have no significant impact on the other business operations and solvency of the Group.

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

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

Hong Kong, 21 January 2022

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.

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

** for identification purpose only*