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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**

### **UPDATE ON LITIGATION PROCEEDINGS IN RELATION TO BORROWINGS OF THE GROUP**

This announcement is made by Xinming China Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest litigation proceedings in relation to the borrowings of the Group.

Reference is made to the annual report of the Company dated 21 April 2021 for the year ended 31 December 2020, whereby it was disclosed that the Group’s borrowings of approximately RMB196,320,000, RMB410,870,000 and RMB500,000,000 had been secured by, among other things, the properties held by Hangzhou Xinming Property Investment Limited\* (杭州新明置業投資有限公司) (“**Hangzhou Xinming**”), Shanghai Xinming Global Property Limited\* (上海新明環球置業有限公司) (“**Shanghai Xinming**”), Taizhou Wenshang Times Property Limited\* (台州溫商時代置業有限公司) (“**Wenshang Times**”) and Shandong Xingmeng Property Limited\* (山東興盟置業有限公司) (“**Shandong Xingmeng**”), respectively.

Pursuant to result of the civil mediation proceedings concluded by Zhejiang Wenzhou Intermediate People’s Court (浙江省溫州市中級人民法院) (“**Wenzhou Court**”) on 27 December 2021, Hangzhou Xinming is required to repay outstanding principal in the sum of approximately RMB193.25 million plus interests (the “**Hangzhou Xinming Borrowings**”) owed to Zhejiang Zheshang Asset Management Company Limited\* (浙江省浙商資產管理有限公司) (“**Zheshang Asset Management**”) by 1 January 2022. The Hangzhou Xinming Borrowings were secured by the land use right held by Hangzhou Xinming in the immovable properties located at Units 1–102, Tower 2, Xinming

Commercial Centre, Gongshu District, Hangzhou City, the PRC (“**Hangzhou Xinming Commercial Centre**”). As at the date of this announcement, the Hangzhou Xinming Borrowings have yet to be repaid and the Wenzhou Court had seized control of the Hangzhou Xinming Commercial Centre but it has yet to proceed to hold an auction of Hangzhou Xinming Commercial Centre.

Pursuant to result of the civil mediation proceedings concluded by Wenzhou Court on 27 December 2021, Shanghai Xinming is required to repay outstanding principal in the sum of approximately RMB420 million plus interests (the “**Shanghai Xinming Borrowings**”) owed to Zheshang Asset Management by 1 January 2022. The Shanghai Xinming Borrowings were secured by certain buildings held by Shanghai Xinming at Shanghai Xinming Children’s World located at Unit 125, Lower One Level, Tower 2, No. 699, Liuxiang Road, Nanxiang Town, Jiading District, Shanghai Municipality, the PRC (“**Shanghai Xinming Children’s World**”). As at the date of this announcement, the Shanghai Xinming Borrowings have yet to be repaid and the Wenzhou Court had seized control of Shanghai Xinming Children’s World but it has yet to proceed to hold an auction of Shanghai Xinming Children’s World.

Pursuant to result of the civil mediation proceedings concluded by Wenzhou Court on 27 December 2021, Wenshang Times is required to repay outstanding principal in the sum of approximately RMB493 million plus interests (the “**Wenshang Times Borrowings**”) owed to Zheshang Asset Management by 1 January 2022. The Wenshang Times Borrowings were secured by (i) the land use right held by Wenshang Times in the immovable properties at Wenshang Times Red Star Macalline Household Products Market, No. 1990 Donghuan Road, Jiaojiang District, Taizhou City, Zhejiang Province, the PRC (“**Taizhou Property**”); (ii) certain buildings of Shandong Xingmeng at Baidi Commercial City, No. 1666 Luban South Avenue, Tengzhou City, Shandong Province, the PRC (“**Tengzhou Properties**”). As disclosed in the announcement of the Company dated 31 May 2022, the Wenzhou Court had ordered the auction of the Taizhou Property at the final price of RMB282.41 million to the relevant bidder on 31 May 2022 and such proceeds will be used for repayment of part of the Wenshang Times Borrowings. For details, please also refer to the announcement of the Company dated 31 May 2022. As at the date of this announcement, the Wenzhou Court had seized control of the Tengzhou Properties but it has yet to proceed to hold an auction of Tengzhou Properties.

Given that the Wenzhou Court have yet to order auction on Hangzhou Xinming Commercial Centre, Shanghai Xinming Children’s World and the Tengzhou Properties, 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 of the Group. The Company will further update Shareholders and potential investors of the Company if the Wenzhou Court orders an auction of the abovementioned properties or if there are any material developments in relation to the above.

**Shareholders and potential investors of the Company 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, 13 June 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.*