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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)

VOLUNTARY ANNOUNCEMENT

UPDATE ON LITIGATION PROCEEDINGS IN RELATION TO THE 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 announcement of the Company dated 13 June 2022 (the “**2022 June Announcement**”) and the announcement of the Company dated 12 August 2022. Unless otherwise defined, terms used herein shall bear the same meaning as defined in the 2022 June Announcement.

UPDATE ON COURT-ORDERED AUCTIONS IN RESPECT OF HANGZHOU XINMING COMMERCIAL CENTRE

Further to 2022 June Announcement, the Board wishes to update the Shareholders and potential investors of the Company that on 26 September 2022 and 9 October 2022, online auctions had taken place by the application of Zheshang Asset Management, whereby a total of 9 out of 47 completed properties held for sale of Hangzhou Xinming Commercial Centre were sold at an aggregate reserve price of approximately RMB10.78 million. The auction proceeds are used for repaying the Group’s borrowing owed to Zheshang Asset Management in the outstanding principal amount of approximately RMB193.25 million plus interests.

COURT-ORDERED AUCTION OF SHANGHAI XINMING CHILDREN'S WORLD AND THE TENGZHOU PROPERTIES

Further to the 2022 June Announcement, the Company was also informed that Zheshang Asset Management have applied and Wenzhou Court will proceed to hold online auctions of (i) all 747 investment properties located at Shanghai Xinming Children's World, the control of which had previously been obtained by Wenzhou Court as disclosed in the 2022 June Announcement; and (ii) all 550 completed properties held for sale located at the Tengzhou Properties. The online auctions are proposed to be held during the period between 24 October 2022 and 10 November 2022. The 747 investment properties located at Shanghai Xinming Children's World and the 550 completed properties held for sale located at the Tengzhou Properties have been marked with an aggregate reserve price of approximately RMB367.08 million and RMB60.31 million, respectively. If the aforesaid properties were to be sold, the auction proceeds of Shanghai Xinming Children's World and the Tengzhou Properties are expected to be used for satisfaction of the Group's borrowing owed to Zheshang Asset Management in the outstanding principal amount of approximately RMB420 million plus interests in relation to Shanghai Xinming Borrowings and approximately RMB210.59 million plus interests in relation to Wenshang Times Borrowings, respectively.

The auctions of Shanghai Xinming Children's World and the Tengzhou Properties have not taken place as at the date of this announcement. Currently, the Group's other business operations are normal, and the above-mentioned court-ordered auctions have no significant impact on the business operations of the Group. The Company will make further announcement(s) on the status of the online auctions of the properties comprising the Hangzhou Xinming Commercial Centre, Shanghai Xinming Children's World, and the Tengzhou Properties, as and when appropriate.

Shareholders and potential investors of the Company should note that the properties comprising Shanghai Xinming Children's World, the Tengzhou Properties and the remaining properties of Hangzhou Xinming Commercial Centre may not be successfully sold if there is no bidder. The Company will publish announcement(s) to update the status of the online auctions as and when appropriate.

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, 18 October 2022

As at the date of this announcement, the executive directors of the Company are Mr. Chen Chengshou and Mr. Feng Cizhao; the non-executive directors of the Company are Ms. Gao Qiaoqin, Mr. Choi Clifford Wai Hong and Mr. Zhou Zhencun; and the independent non-executive directors of the Company are Mr. Khor Khie Liem Alex, Mr. Chiu Kung Chak and Mr. Lau Wai Leung, Alfred.