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UPDATES IN RELATION TO THE DISCLAIMER OF OPINION SET OUT IN THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Reference is made to the annual report (the “**2024 Annual Report**”) of Xinming China Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2024 (“**FY2024**”) published on 30 April 2025. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the 2024 Annual Report.

The Board would like to provide updates in relation to the disclaimer of opinion (the “**Disclaimer of Opinion**”) set out in the 2024 Annual Report. During the period from 30 April 2025, being the date of publication of the 2024 Annual Report, and up to the date of this announcement, the following steps and measures have been implemented to mitigate the liquidity pressure, to improve the financial position of the Group and to address the Disclaimer of Opinion:

- (i) Continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests.

As at the date of this announcement, based on the negotiations with the Group’s existing lenders, the Management understands the existing lenders do not have intention to demand immediate repayment at the moment.

- (ii) Continuously negotiating with various financial institutions and potential lenders/ investors to identify various opportunities for additionally financing the Group’s working capital and commitments in the foreseeable future.

The Company is in the process of conducting a rights issue on the basis of four rights Shares for every one adjusted Share pursuant to an ordinary resolution passed by the Shareholders at the extraordinary general meeting of the Company held on 13 March 2025. Subject to completion of the rights issue, gross proceeds of up to approximately HK\$84.2 million will be generated from the rights issue and net proceeds are estimated to be approximately HK\$78.3 million, which is intended to be applied in the following manner: (i) approximately 92% (being approximately HK\$72.0 million) for settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings and other payables and accruals of the Group; and (ii) approximately 8% (being approximately HK\$6.3 million) as general working capital of the Group, including but not limited to its daily operational expenses of the Group for the forthcoming six months upon completion of the rights issue.

For details, please refer to the prospectus of the Company dated 23 June 2025.

- (iii) Accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and containing capital expenditure so as to generate adequate net cash inflows for the Group.

As at the date of this announcement, the construction of Block 9 and 16 of phase 4 of the Shandong Project is ongoing as planned and expected delivery date of the said blocks is September 2025.

- (iv) Actively procuring and formulating the preliminary terms with large property developer to sell individual property development project or whole commercial property at an appropriate price.

The Management is still identifying and negotiating terms with new investors to participate in investing Shanghai and Taizhou's renovation works in order to increase its underlying value and to accelerate the sale of commercial properties more rapidly and effectively.

By order of the Board
Xinming China Holdings Limited
Kam Chun Ying, Francis
Company Secretary

Hong Kong, 30 June 2025

As at the date of this announcement, the executive Director is Mr. Chen Chengshou; the non-executive Director is Mr. Cao Zhiqiang; and the independent non-executive Directors are Ms. Chan Wai Yan, Ms. Huang Chunlian and Ms. Lee Yin Man.