THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult a licensed security dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Xinming China Holdings Limited**, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank, licensed security dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "17. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong, The Stock Exchange of Hong Kong Limited and the Registrar of Companies in Hong Kong take no responsibility for the contents of any of these documents.

Dealings in the Shares and Rights Shares in both their nil-paid and fully-paid forms may be settled through CCASS and you should consult a licensed security dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on The Stock Exchange of Hong Kong Limited as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC. Settlement of transactions between participants of The Stock Exchange of Hong Kong Limited on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

Shareholders with registered addresses in any jurisdiction outside Hong Kong or beneficial owners of the Shares who are residents outside Hong Kong should refer to the important information set out in the section headed "Notices" and the paragraph headed "Rights of the Overseas Shareholders" under the section headed "Letter from the Board" in this Prospectus.

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and the distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability. In particular, subject to certain exceptions as determined by the Company, the Prospectus Documents should not be distributed, forwarded to or transmitted in, into or from any jurisdiction where such release or distribution might be unlawful.

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)

RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE HELD AT THE CLOSE OF BUSINESS ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Placing Agent

ADVENT
宏智證券(香港)
Advent Securities (Hong Kong) Limited

Capitalised terms used in the lower portion of this cover page shall have the same respective meanings as those defined in the section headed "Definitions" in this Prospectus.

The latest time for acceptance of and payment for the Rights Shares is at 4:00 p.m. on Tuesday, 30 June 2026. The procedures for application and payment for the Rights Shares are set out on pages 17 to 18 of this Prospectus.

It should be noted that the Placing Agreement contains provisions granting the Placing Agent the right to terminate the obligations of the Placing Agent thereunder on the occurrence of certain events including force majeure. These certain events are set out in the paragraphs headed "Placing Agreement" under the section headed "Letter from the Board" in this Prospectus. If the Placing Agreement is terminated by the Placing Agent, or does not become unconditional, the 2026 Rights Issue will not proceed.

Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 17 June 2026 to Thursday, 25 June 2026 (both dates inclusive). If the conditions of the 2026 Rights Issue are not fulfilled, the 2026 Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Wednesday, 17 June 2026 to Thursday, 25 June 2026 (both dates inclusive) will accordingly bear the risk that the 2026 Rights Issue may not become unconditional and/or may not proceed.

Subject to the fulfilment of the conditions of the 2026 Rights Issue, the 2026 Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. Please refer to the section headed "Letter from the Board – 2026 Rights Issue" in this Prospectus. In the event of an undersubscription of the 2026 Rights Issue, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed on a best-efforts basis by the Placing Agent to independent placees under the Placing. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which remain not placed under the Placing will not be issued by the Company and the size of the 2026 Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the 2026 Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the 2026 Rights Issue.

Any person contemplating dealing in the Consolidated Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its own professional advisers. **Shareholders and potential investors are advised to exercise caution when dealing in the Shares and the nil-paid Rights Shares.**

15 June 2026

NOTICES

Shareholders and potential investors of the Company should note that the 2026 Rights Issue is conditional upon the fulfilment of the conditions of the 2026 Rights Issue as set out in the section headed "Letter from the Board – 2026 Rights Issue – Conditions of the 2026 Rights Issue" in this Prospectus.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the 2026 Rights Issue is subject are fulfilled will accordingly bear the risk that the 2026 Rights Issue may not become unconditional and/or may not proceed.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE 2026 RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN JURISDICTIONS OUTSIDE HONG KONG AND NEITHER IS THE 2026 RIGHTS ISSUE BEING MADE TO INVESTORS WHO ARE LOCATED OR RESIDING IN ANY OF THE JURISDICTIONS OUTSIDE HONG KONG, UNLESS AN OFFER OF RIGHTS SHARES AND NIL-PAID RIGHTS SHARES INTO SUCH JURISDICTIONS COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS MADE IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME.

DISTRIBUTION OF THE PROSPECTUS DOCUMENTS

Distribution of the Prospectus Documents (including this Prospectus) in jurisdictions other than Hong Kong may be restricted by law. Persons (including, without limitation, Shareholders and beneficial owners of the Shares, agents, custodians, nominees and trustees) in possession of the Prospectus Documents should inform themselves of and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. This Prospectus has not been lodged or registered with any of the relevant authorities in any jurisdiction other than Hong Kong. None of the Prospectus Documents will be registered under the securities laws of any jurisdiction other than Hong Kong and none of the Prospectus Documents will qualify for distribution under any of the relevant securities laws of any of the jurisdictions other than Hong Kong (save for any applicable exceptions as agreed by the Company). Accordingly, the Rights Shares in both nil-paid and fully-paid forms may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions other than Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions other than Hong Kong, or exemption from the registration or qualification requirement under applicable rules of such jurisdictions.

Shareholders with registered addresses in, and investors who are located or resident in, any of the jurisdictions other than Hong Kong should refer to the section headed "Letter from the Board – 2026 Rights Issue – Rights of the Overseas Shareholders" in this Prospectus. For a description of certain restrictions regarding the taking up of the nil-paid Rights Shares for, and the offering and sale of, the Rights Shares in jurisdictions other than Hong Kong, please see the notices below.

Each person acquiring the nil-paid Rights Shares and/or fully-paid Rights Shares under the 2026 Rights Issue will be required to confirm, or be deemed by his acquisition of the nil-paid Rights Shares and/or Rights Shares to confirm, that he is aware of the restrictions on offers and sales of the nil-paid Rights Shares and/or fully-paid Rights Shares described in this Prospectus.

FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as "might", "may", "could", "would", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue", "illustration", "projection" or similar expressions and the negative thereof.

Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Group's business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on management's present expectations about future events. Management's present expectations reflect many assumptions regarding the Group's strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group's actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

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The expected timetable for the 2026 Rights Issue set out below is indicative only and has been prepared on the assumption that all the conditions of the 2026 Rights Issue will be fulfilled. The expected timetable is subject to change and further announcement(s) will be made by the Company should there be any changes to the expected timetable.

Event	**Date**
First day of dealings in nil-paid Rights Shares	Wednesday, 17 June 2026
Latest time for splitting the PAL	4:30 p.m. on Monday, 22 June 2026
Last day of dealings in nil-paid Rights Shares	Thursday, 25 June 2026
Latest Time for Acceptance of and payment for the Rights Shares	4:00 p.m. on Tuesday, 30 June 2026
Announcement of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Wednesday, 8 July 2026
Commencement of the Placing Period (if there are any Unsubscribed Rights Shares and NQS Unsold Rights Shares available)	Thursday, 9 July 2026
Latest time of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to the Compensatory Arrangements	Friday, 24 July 2026
Latest time for the 2026 Rights Issue to become unconditional and the Placing Long Stop Date	4:00 p.m. on Friday, 24 July 2026
Announcement of results of the 2026 Rights Issue (including the results of the Placing and the Net Gain)	Friday, 31 July 2026
2026 Rights Issue settlement and Placing completion date	Monday, 3 August 2026
Despatch of share certificates for fully-paid Rights Shares and/or refund cheques if terminated	Monday, 3 August 2026
Commencement of dealings in fully-paid Rights Shares	Tuesday, 4 August 2026

Event	Date
Designated broker commences to provide matching service for odd lots of Shares	Tuesday, 4 August 2026
Payment of Net Gain to relevant No Action Shareholders (if any) or Non-Qualifying Shareholders (if any)	Monday, 10 August 2026
Designated broker ceases to provide matching service for odd lots of Shares	Tuesday, 18 August 2026

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the 2026 Rights Issue set out above and all dates and deadlines specified in this Prospectus are indicative only and may be varied. Any changes to the expected timetable will be announced in separate announcement(s) by the Company as and when appropriate.

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place as scheduled if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning or "extreme conditions" caused by super typhoons issued by the Hong Kong Observatory:

(i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in this section may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the excepted timetable as soon as practicable.

In this Prospectus, the following expressions shall have the following meanings, unless the context requires otherwise:

"2025 Rights Issue"	the rights issue of the Company on the basis of four (4) rights Shares for every one (1) Share in issue at HK$1.12 per rights Share, which was completed on 29 July 2025, the details of which are set out in the prospectus of the Company dated 23 June 2025 and the poll results announcement of the Company dated 29 July 2025
"2026 Rights Issue"	the proposed issue by way of rights of six (6) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions to be set out in the Prospectus Documents
"Announcements"	collectively, the First Announcement and the Second Announcement
"associate(s)"	has the same meaning ascribed thereto under the Listing Rules
"Beneficial Owner"	beneficial owner(s) whose Shares are registered in the name of a Registered Shareholder
"Board"	the Board of Directors
"Business Day(s)"	a day(s) (excluding Saturday, Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Circular"	the circular of the Company dated 15 May 2026 in relation to, among other matters, the Share Consolidation, the 2026 Rights Issue, the Placing and the transactions contemplated thereunder

"Company"	Xinming China Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
"Compensatory Arrangements"	placing of the Placing Shares by the Placing Agent on a best-efforts basis pursuant to the Placing Agreement in accordance with Rule 7.21(b) of the Listing Rules
"connected person(s)"	has the same meaning ascribed thereto under the Listing Rules
"Consolidated Share(s)"	the ordinary share(s) of par value HK$0.25 each in the share capital of the Company, immediately upon the Share Consolidation becoming effective
"controlling shareholder(s)"	has the same meaning ascribed thereto under the Listing Rules
"Director(s)"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company held on Monday, 1 June 2026 to consider and, if thought fit, approve, among other things, the Share Consolidation, the 2026 Rights Issue, the Placing and the transactions contemplated thereunder
"Existing Share(s)"	the ordinary share(s) of par value HK$0.01 each in the share capital of the Company, prior to the Share Consolidation becoming effective
"First Announcement"	the announcement of the Company dated 16 February 2026 in relation to, among other matters, the 2026 Rights Issue, the Placing and the transactions contemplated thereunder
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"HKSCC"	the Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"Independent Shareholder(s)"	Shareholder(s) excluding (i) any controlling shareholder and their associates; (ii) where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates; (iii) those who are involved in or interested in the 2026 Rights Issue and the Placing (as the case may be); and (iv) those that are required under the Listing Rules to abstain from voting at the EGM
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company in accordance with the Listing Rules
"Intermediary"	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means a Beneficial Owner's broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the Beneficial Owner's Shares with a CCASS participant
"Last Trading Day"	Friday, 13 February 2026, being the last full trading day of the Existing Shares on the Stock Exchange prior to the release of the First Announcement
"Latest Practicable Date"	Friday, 5 June 2026, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained herein
"Latest Time for Acceptance"	4:00 p.m. on Tuesday, 30 June 2026, or such other time and date as the Company may determine, being the latest time and date for acceptance of and payment for the Rights Shares
"Listing Committee"	the listing committee of the Stock Exchange for considering application for listing and the granting of listing
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Mr. Chen"	Mr. Chen Chengshou, an executive Director, chairman and chief executive officer of the Company
"Net Gain"	the aggregate of any premiums (being the aggregate amount paid by the placees) after deducting the aggregate amount of the Subscription Price for the Placing Shares placed by the Placing Agent under the Placing Agreement
"No Action Shareholder(s)"	Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the 2026 Rights Issue who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s), or such persons who hold any nil-paid rights at the time such nil-paid rights lapse, or Non-Qualifying Shareholders (as the case may be)
"Non-Qualifying Shareholder(s)"	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company's legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant jurisdiction or the requirements of a relevant regulatory body or stock exchange in such jurisdiction
"NQS Unsold Rights Share(s)"	the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
"Original Placing Agreement"	the placing agreement dated 16 February 2026 entered into between the Company and the Placing Agent in relation to the placing of the Placing Shares
"Overseas Shareholder(s)"	Shareholder(s) with registered address(es) (as shown in the register of members of the Company on the Record Date) which is/are outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) in respect of the 2026 Rights Issue proposed to be issued to the Qualifying Shareholders
"Placing"	the placing of the Placing Shares on a best-efforts basis by the Placing Agent and/or its sub-placing agent(s) to independent placees on the terms and conditions of the Placing Agreement

"Placing Agent"	Advent Securities (Hong Kong) Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity
"Placing Agreement"	the Original Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) in relation to the placing of the Placing Shares
"Placing Long Stop Date"	4:00 p.m. on Friday, 24 July 2026 or such other date as the Company and the Placing Agent may agree in writing
"Placing Period"	the period commencing from Thursday, 9 July 2026 to 4:00 p.m. on Friday, 24 July 2026, or such other dates as the Company may determine, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements
"Placing Share(s)"	the Unsubscribed Rights Share(s) and the NQS Unsold Rights Share(s)
"PRC"	the People's Republic of China, and for the purpose of this Prospectus, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Prospectus Documents"	this Prospectus and the PAL to be issued by the Company
"Prospectus Posting Date"	Monday, 15 June 2026, or such other date as the Company may determine, for the despatch of the Prospectus Documents
"Qualifying Shareholder(s)"	Shareholder(s) who(se) name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
"Record Date"	Friday, 12 June 2026, or such other date as the Company may determine, being the date by reference to which entitlements of the Shareholders to participate in the 2026 Rights Issue will be determined
"Registered Shareholder"	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of Shares in which the Beneficial Owner is beneficially interested

"Registrar"	the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
"Rights Share(s)"	up to 22,543,464 Consolidated Shares to be allotted and issued pursuant to the 2026 Rights Issue
"RMB"	Renminbi, the lawful currency of the PRC
"Second Announcement"	the announcement of the Company dated 22 April 2026 in relation to, among other matters, the Share Consolidation and updates on the 2026 Rights Issue, the Placing and the transactions contemplated thereunder
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the Existing Share(s) or as the context may require, the Consolidated Share(s)
"Share Consolidation"	the consolidation of every twenty five (25) Existing Shares of par value of HK$0.01 each into one (1) Consolidated Share of par value of HK$0.25 each, which became effective on Wednesday, 3 June 2026
"Shareholder(s)"	the holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$4.70 per Rights Share
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Supplemental Placing Agreement"	the supplemental agreement dated 22 April 2026 entered into between the Company and the Placing Agent in relation to the Original Placing Agreement
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
"Unsubscribed Rights Shares"	the Rights Shares that are not subscribed by the Qualifying Shareholders
"%"	per cent.



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)

Executive Directors:
Mr. Chen Chengshou
(Chairman and Chief Executive Officer)
Mr. Shi Jianwen

Independent Non-executive Directors:
Ms. Chan Wai Yan
Ms. Huang Chunlian
Ms. Lee Yin Man

Registered Office:
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Headquarters in the PRC:
Block I, 5th Floor
Hengli Building
No. 5 Huang Long Road, Hangzhou
Zhejiang Province, the PRC

Principal place of business in Hong Kong:
Room 126, 1/F
Goodwill Industrial Building
36-44 Pak Tin Par Street
Tsuen Wan, New Territories
Hong Kong

15 June 2026

To the Qualifying Shareholders and for information purposes only, the Non-Qualifying Shareholders

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY ONE (1) CONSOLIDATED SHARE HELD AT THE CLOSE OF BUSINESS ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

INTRODUCTION

References are made to the Announcements and the Circular in relation to, among other things, the Share Consolidation, the 2026 Rights Issue, the Placing and the transactions contemplated thereunder.

At the EGM held on Monday, 1 June 2026, the resolution for approving the Share Consolidation and the transactions contemplated thereunder was duly passed by the Shareholders, and the resolution for approving the 2026 Rights Shares, the Placing and the transactions contemplated thereunder was duly passed by the Independent Shareholders.

The purpose of this Prospectus is to provide you with, among other things, (i) further details regarding the 2026 Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you; (ii) certain financial information on the Group; and (iii) other information in respect of the Group.

2026 RIGHTS ISSUE

The Company proposes to conduct the 2026 Rights Issue on the basis of six (6) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date. Details of the 2026 Rights Issue are set out below:

DETAILS OF THE 2026 RIGHTS ISSUE

Basis of the 2026 Rights Issue	:	Six (6) Rights Shares for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK$4.70 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated expenses in relation to the 2026 Rights Issue)	:	Approximately HK$4.50 per Rights Share (on the basis that all the Rights Shares will be taken up)
Number of Shares in issue as at the Latest Practicable Date	:	3,757,244 Consolidated Shares
Number of Rights Shares (Shares to be issued pursuant to the 2026 Rights Issue)	:	Up to 22,543,464 Consolidated Shares with an aggregate nominal value of HK$5,635,866.00
Total number of Shares in issue upon completion of the 2026 Rights Issue	:	Up to 26,300,708 Consolidated Shares
Gross proceeds from the 2026 Rights Issue	:	Up to approximately HK$106.0 million (before expenses)

As at the Latest Practicable Date, the Company has no outstanding warrants, options or convertible securities in issue or other similar rights entitling holders thereof to convert into or exchange into or subscribe for new Shares.

The aggregate 22,543,464 Rights Shares to be issued pursuant to the terms of the 2026 Rights Issue represent 600% of the total number of issued Consolidated Shares and approximately 85.71% of the total number of issued Consolidated Shares as enlarged by the issue of the Rights Shares (assuming full acceptance by the Qualifying Shareholders).

As at the Latest Practicable Date, the Board has not received any information from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the 2026 Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Subscription Price

The Subscription Price of HK$4.70 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the 2026 Rights Issue, or where a transferee of the nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 21.4% to the closing price of HK$5.98 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 20.0% to the theoretical closing price of HK$5.875 per Consolidated Share (calculated based on the closing price of HK$0.235 per Existing Share and taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 20.0% to the average theoretical closing price of HK$5.875 per Consolidated Share (calculated based on the average closing price of HK$0.235 after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;

(iv) a discount of approximately 19.7% to the average theoretical closing price of HK$5.850 per Consolidated Share (calculated based on the average closing price of HK$0.234 after taking into account the effect of the Share Consolidation) as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;

(v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 17.14%, represented by the theoretical diluted price of approximately HK$4.87 per Consolidated Share (after taking into account the effect of the Share Consolidation) to the theoretical benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK$5.875 per Consolidated Share (after taking into account the effect of the Share Consolidation), taking into account the higher of (i) the theoretical closing price of the Consolidated Shares as quoted on the Stock Exchange on the Last Trading Day; and (ii) the average theoretical closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day; and

(vi) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) in aggregation with the 2025 Rights Issue, which was completed on 29 July 2025, of approximately 19.56%, computed by the cumulative theoretical diluted price of approximately HK$28.56 per Consolidated Share (after taking into account the effect of the Share Consolidation) to the theoretical benchmarked price (as defined under Rule 7.27B of the Listing Rules) of HK$35.50 per Consolidated Share (after taking into account the effect of the Share Consolidation) in respect of the 2025 Rights Issue as announced on 6 December 2024.

The Subscription Price was determined with reference to (i) the market price of the Shares (and its fluctuations) under the prevailing market conditions; (ii) the current business performance and financial position of the Group; and (iii) the reasons for and benefits of the 2026 Rights Issue as discussed in the section headed "2026 Rights Issue – Reasons For and Benefits of the 2026 Rights Issue and the Use of Proceeds", including the amount of funds the Company intends to raise under the 2026 Rights Issue and its intended uses.

In particular:

(a) the Directors reviewed the daily closing prices of the Shares during the 12-month period up to and including the Last Trading Day. During this period, the Shares recorded (i) an average closing price of approximately HK$31.25 per Consolidated Share (calculated based on HK$1.25 after taking into account the effect of the Share Consolidation), (ii) a highest closing price of HK$103.75 per Consolidated Share (calculated based on HK$4.15 after taking into account the effect of the Share Consolidation) and (iii) a lowest closing price of HK$4.95 per Consolidated Share (calculated based on HK$0.198 after taking into account the effect of the Share Consolidation), and were traded consistently above the Subscription Price. The Directors also noted the fluctuations in the Share price, in particular the decline from HK$103.75 per Consolidated Share (calculated based on HK$4.15 after taking into account the effect of the Share Consolidation) on 29 September 2025 to HK$13.75 per Consolidated Share (calculated based on HK$0.55 after taking into account the effect of the Share Consolidation) on 2 October 2025. The Board is not aware of any reason

for such unusual price movements of the Shares. Despite such fluctuations, given that the closing prices of the Shares stabilised within a range of approximately HK$4.95 to HK$6.50 per Consolidated Share (calculated based on HK$0.198 to HK$0.26 after taking into account the effect of the Share Consolidation) from the beginning of 2026 up to the Last Trading Day, the Directors considered it appropriate to determine the Subscription Price with reference to this more recent period, which is a reasonable comparison between the prevailing market price and the Subscription Price;

(b) the Directors also took into account the current financial position and business performance of the Group. In particular, as further elaborated in the section headed "2026 Rights Issue – Reasons For and Benefits of the 2026 Rights Issue and Use of Proceeds", the Group has been under liquidity pressures and faces an imminent need for financial resources to settle its liabilities and replenish its working capital. By setting a Subscription Price which is at a discount to the prevailing market price, the Board considers that this would provide sufficient incentive for, and encourage, the Qualifying Shareholders to participate in the 2026 Rights Issue (which allows the Qualifying Shareholders to maintain their proportional shareholdings in the Company and minimises the dilution impact), while providing an opportunity to enable the Company to address its immediate funding needs and improve the financial position of the Group. The Directors also noted that the discount to the Subscription Price is comparable to the discount to the subscription price under the 2025 Rights Issue; and

(c) the Directors have also considered the aggregate amount of funds to be raised under the 2026 Rights Issue calculated based on the Subscription Price and the number of Rights Shares to be issued, and the intended use of proceeds which include settlement of liabilities of the Group as further elaborated in the section headed "2026 Rights Issue – Reasons For and Benefits of the 2026 Rights Issue and Use of Proceeds – Current financial position of the Group" and in the statement of indebtedness set out in the section headed "2. Indebtedness Statement" in Appendix I to this Prospectus, acquiring potential projects to diversity the Group's property portfolio, and for the general working capital of the Group, all of which would strengthen the business performance of the Group as a whole in the future.

Under the 2026 Rights Issue, each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its current shareholding in the Company. The Company considers that the discount of the Subscription Price to the current market price will encourage them to participate in the 2026 Rights Issue, minimising dilution impact.

The Directors (including the independent non-executive Directors) consider that the terms of the 2026 Rights Issue, the Placing and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and are in the best interests of the Company and the Shareholders as a whole.

Non-underwritten basis

Subject to the fulfilment of the conditions of the 2026 Rights Issue, the 2026 Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event of an undersubscription of the 2026 Rights Issue, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed on a best-efforts basis by the Placing Agent to independent placees under the Placing. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which remain not placed under the Placing will not be issued by the Company and the size of the 2026 Rights Issue will be reduced accordingly.

There is no minimum amount to be raised under the 2026 Rights Issue. There are no applicable statutory requirements under the laws of the Cayman Islands regarding minimum subscription levels in respect of the 2026 Rights Issue.

As the 2026 Rights Issue will proceed on a non-underwritten basis, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the 2026 Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the 2026 Rights Issue will be scaled down to a level which does not trigger an obligation on the part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules and does not result in any non-compliance with the public float requirements under Rule 8.08(1) of the Listing Rules.

The Company had explored both potential underwriting and non-underwriting arrangements for the 2026 Rights Issue. As the Company was unable to identify any securities firms willing to act as underwriter on terms that were commercially beneficial to the Company and its Shareholders, particularly given that the underwriting fee is expected to be substantial, which would also reduce the net proceeds from the 2026 Rights Issue available to the Company. In light of the above, the Board had determined that proceeding with the 2026 Rights Issue on a non-underwritten basis, combined with the Placing and the Compensatory Arrangements as disclosed in the sections headed "2026 Rights Issue – Details of the 2026 Rights Issue – Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements" and "2026 Rights Issue – Details of the 2026 Rights Issue – Placing Agreement", where the Placing Agent will place Unsubscribed Rights Shares and NQS Unsold Shares on a best-efforts basis at a price that is not less than the Subscription Price, represents the most viable and efficient approach to meet the Company's funding objectives, and is consistent with the arrangements adopted for the 2025 Rights Issue, and provides adequate

compensation mechanisms and safeguards to protect the interests of the Shareholders. Therefore, the Directors consider that conducting the 2026 Rights Issue on a non-underwritten basis with the Placing is in the interest of the Company and Shareholders as a whole.

Conditions of the 2026 Rights Issue

The 2026 Rights Issue is conditional upon the following conditions being fulfilled:

(i) the Share Consolidation having become effective;

(ii) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions to be proposed at the EGM for the transactions contemplated under the 2026 Rights Issue to be effective in compliance with the Listing Rules, including but not limited to approving, confirming and/or ratifying the 2026 Rights Issue, including the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;

(iii) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;

(iv) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;

(v) the posting of the Prospectus Documents to the Qualifying Shareholders and the publication of the Prospectus on the website of the Stock Exchange on or before the Prospectus Posting Date;

(vi) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked); and

(vii) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the 2026 Rights Issue, the Placing and the transactions contemplated thereunder having been obtained and fulfilled.

None of the above conditions precedent is capable of being waived. If any of the above conditions are not satisfied at or before 4:00 p.m. on Friday, 24 July 2026 (or such other date as the Company may determine), the 2026 Rights Issue will not proceed and no party will have any claim against any other party for costs, damages, compensations or otherwise.

As at the Latest Practicable Date, save and except for conditions (i) and (ii), none of the other conditions have been fulfilled.

Shareholders and potential investors of the Company should note that the 2026 Rights Issue is subject to the fulfilment of all the conditions as set out above. Therefore, if any of such conditions are not fulfilled, the 2026 Rights Issue will not proceed.

Undertakings

As at the Latest Practicable Date, the Company has not received any information or irrevocable undertaking from any substantial shareholder of the Company of their intention to take up any Shares provisionally (or to be provisionally) allotted or offered to that Shareholder under the 2026 Rights Issue.

Status of the Rights Shares

The Rights Shares (when allotted, fully-paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Consolidated Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The 2026 Rights Issue is only available to the Qualifying Shareholders. To qualify for the 2026 Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus only (without the PAL) to the Non-Qualifying Shareholders for their information only.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

Rights of the Overseas Shareholders

Based on the register of members of the Company as at the Latest Practicable Date, there were two (2) Overseas Shareholders, details of which are as follows:

Jurisdiction	Number of Shareholder(s)	Number of Consolidated Share(s) held	Approximate percentage of the issued share capital of the Company
PRC	2	20,736	0.55%
Total	**2**	**20,736**	**0.55%**

Save for the two (2) Overseas Shareholders with registered addresses located in the PRC, there were no other Overseas Shareholders based on the register of members of the Company as at the Latest Practicable Date.

In accordance with Rule 13.36(2)(a) of the Listing Rules, the Directors have made inquiries with the legal adviser in the PRC on the feasibility of extending the offer of the 2026 Rights Issue to such Overseas Shareholders. On the basis of the results of such enquiries obtained, the Directors are of view that there are no legal restrictions under the laws of or the requirements of the relevant regulatory bodies or stock exchange in the PRC with respect to the offer of the Rights Shares to the Overseas Shareholders with registered addresses in the PRC as at the Latest Practicable Date. Accordingly, the Directors have decided to extend the 2026 Rights Issue to the Overseas Shareholders having registered addresses in the PRC and such Overseas Shareholders are considered as Qualifying Shareholders.

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

The 2026 Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net

of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK$100 will be paid to the Non-Qualifying Shareholders pro rata to their shareholdings held on the Record Date. In light of administrative costs, the Company will retain individual amounts of HK$100 or less for its own benefit.

Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, and subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will despatch the Prospectus only to the Non-Qualifying Shareholders on the Prospectus Posting Date for their information, but will not send any PAL to them.

Overseas Shareholders should note that they may or may not be entitled to the 2026 Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.

Basis of provisional allotments

The basis of the provisional allotment shall be six (6) Rights Shares (in nil-paid form) for every one (1) Consolidated Share held by the Qualifying Shareholders as at close of business on the Record Date. There will be no excess application arrangements in relation to the 2026 Rights Issue.

Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made only by lodging a duly completed PAL with a remittance for the Rights Shares being accepted with the Registrar by the Latest Time for Acceptance.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the Consolidated Shares as a result of the 2026 Rights Issue, if any, the Company will appoint a securities firm to provide matching services, on a best-efforts basis, to those Shareholders who wish to (i) acquire odd lots of the Consolidated Shares to make up a full board lot, or (ii) to dispose their holding of odd lots of the Consolidated Shares during the period from 9:00 a.m. on Tuesday, 4 August 2026 to 4:00 p.m. on Tuesday, 18 August 2026 (both dates inclusive).

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed, and may or may not be sold at the market price. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their professional adviser(s).

Procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. As PAL is a form of temporary document of title, it will be despatched to the Qualifying Shareholder(s) in printed form. The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than 4:00 p.m. on Tuesday, 30 June 2026. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**XINMING CHINA HOLDINGS LIMITED – A/C NO 2**" and crossed "Account Payee Only".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Tuesday, 30 June 2026, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete the incomplete PAL at a later stage.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer part/all of their rights to more than one person, the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Monday, 22 June 2026 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as "splitting" the nil-paid Rights Shares.

Having "split" the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for all the Rights Shares provisionally allotted.

It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of the rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights. The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders accompanying completed PALs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. No receipt will be given in respect of any application monies received.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS)

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Shareholder, or sell the respective nil-paid Rights Shares or "split" those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to the acceptance, transfer and/or "splitting" of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance and before the relevant dates stated in the section headed "Expected Timetable" of this Prospectus in order to provide the Registered Shareholder with sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited, or sell the respective nil-paid Rights Shares or "split" those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or "splitting" of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance and before the relevant dates stated in the section headed "Expected Timetable" of this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to provide your Intermediary with sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or "splitting" by CCASS participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the General Rules of HKSCC, the HKSCC Operational Procedures and any other requirements of CCASS.

Beneficial Owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners' interests in nil-paid Rights Shares should be dealt with.

Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering such Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the 2026 Rights Issue. There will be no excess application arrangements in relation to the 2026 Rights Issue. The Company and the Placing Agent entered into the Placing Agreement in relation to the placing of the Placing Shares (being the Unsubscribed Rights Shares and the NQS Unsold Rights Shares) to independent placees on a best-efforts basis (please refer to the section headed "2026 Rights Issue – Details of the 2026 Rights Issue – Placing Agreement").

Pursuant to the Placing Agreement, the Company appointed the Placing Agent to place the Placing Shares during the Placing Period to independent placees on a best-efforts basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which have not been placed after completion of the Placing will not be issued by the Company and the size of the 2026 Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on a pro rata basis (but rounded down to the nearest cent):

(i) the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and

(ii) the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of HK$100 or more, such amount will be paid to the relevant No Action Shareholders and Non-Qualifying Shareholders in Hong Kong dollars only and the Company will retain individual amounts of less than HK$100 for its own benefit.

Placing Agreement

On Monday, 16 February 2026 (after trading hours), the Company and the Placing Agent entered into the Original Placing Agreement (which was amended and supplemented by the Supplemental Placing Agreement entered into between the Company and the Placing Agent on Wednesday, 22 April 2026 (after trading hours)), pursuant to which the Placing Agent has agreed to procure independent placee(s), on a best-efforts basis, to subscribe for the Placing Shares (being the Unsubscribed Rights Shares and the NQS Unsold Rights Shares). Details of the Placing Agreement are summarised below:

Issuer		**The Company**
Placing Agent	:	Advent Securities (Hong Kong) Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity, was appointed as the Placing Agent to procure, on a best-efforts basis, independent placees to subscribe for the Placing Shares during the Placing Period. The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholders; and (ii) are Independent Third Parties.
Placing Period	:	The period commencing from Thursday, 9 July 2026 to 4:00 p.m. Friday, 24 July 2026, or such other dates as the Company may determine, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements.
Commission and expenses	:	The Placing Agent shall be entitled to a commission fee equal to 2% of the amount which is equal to the placing price multiplied by the Placing Shares that have been successfully placed by the Placing Agent.

Placing price	:	The placing price of each Placing Share shall be not less than the Subscription Price of HK$4.70. The final price determination will be dependent on the demand and market conditions of the Placing Shares during the process of Placing.
Placees	:	The Placing Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).
Ranking of the Placing Shares	:	The Placing Shares (when placed, allotted, issued and fully paid), shall rank *pari passu* in all respects among themselves and with the existing Consolidated Shares in issue at the date of completion of the Placing.
Conditions Precedent	:	The obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled or being waived by the Placing Agent in writing, if applicable): (i) the Share Consolidation having become effective; (ii) the Listing Committee having granted the listing of, and the permission to deal in, the Rights Shares; (iii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and (iv) the obligations of the Placing Agent under the Placing Agreement not having been terminated in accordance with the provisions thereof. As at the Latest Practicable Date, all of the conditions have been fulfilled.

Termination	:	The Placing Agreement can only be terminated by mutual written agreement between the Placing Agent and the Company, except that the engagement of the Placing Agent may also be terminated by the Placing Agent (i) in case of force majeure resulting in the Company and the Placing Agent being unable to fulfil its duties and responsibilities under the engagement; or (ii) if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement.
Placing Completion	:	Completion is expected to take place within six (6) Business Days after publication of an announcement by the Company of the number of the Unsubscribed Rights Shares and NQS Unsold Rights Shares under the Compensatory Arrangements and upon fulfilment or waiver (as the case may be) of the conditions precedent to the Placing Agreement, or such other date as the Company and the Placing Agent may agree in writing.

The Company shall use its best endeavours to procure the fulfilment of such conditions precedent to the Placing Agreement by the Placing Long Stop Date. If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Placing Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

The engagement between the Company and the Placing Agent in respect of the Placing Shares (including the commission and expenses payable) was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the 2026 Rights Issue, and the current and expected market conditions. The Board considers that the terms of Placing Agreement in respect of the Placing Shares (including the commission and expenses payable) are on normal commercial terms and are in the best interests of the Company and the Shareholders as a whole.

As explained above, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent to Independent Third Parties on a best-efforts basis for the benefits of the No Action Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders.

The Company will ensure that it will continue to comply at all times with the public float requirements under Rule 8.08 of the Listing Rules after the 2026 Rights Issue and the Placing. After the Placing Period, it is expected that none of the placees will become a substantial shareholder of the Company. If any of the placees will become a substantial shareholder of the Company after completion of the 2026 Rights Issue and the Placing, further announcement(s) will be made by the Company.

The Board considered that the Compensatory Arrangements, which have taken into account the effect of Share Consolidation, are fair and reasonable and provide adequate safeguard to protect the best interests of the Company's minority Shareholders since:

(i) the Compensatory Arrangements are in compliance with the requirements under Rule 7.21(1)(b) of the Listing Rules under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) because under the Compensatory Arrangements, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agents and the related fees and expenses in relation to such placing will be borne by the Company;

(ii) the Compensatory Arrangements (including the determination of the placing price) will be managed by the Placing Agent which is licensed and subject to the stringent code of conduct over, among others, pricing and allocation of the Placing Shares. The terms and the conditions of the Placing Agreement (including the placing commission) are normal commercial terms and are in the best interests of the Company and the Shareholders as a whole; and

(iii) the Compensatory Arrangements would provide (a) a distribution channel of the Placing Shares to the Company; (b) an additional channel of participation in the 2026 Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders; and (c) a compensatory mechanism for the No Action Shareholders and the Non-Qualifying Shareholders. Besides, the 2026 Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company. As such, the Board considered that the absence of excess application arrangement is acceptable.

No Fractional Entitlement to the Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and sold by the Company in the open market if a premium (net of expense) can be obtained. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the 2026 Rights Issue will be reduced accordingly.

Share certificates and refund cheques for the 2026 Rights Issue

Subject to fulfilment of the conditions of the 2026 Rights Issue, share certificates for the fully paid Rights Shares are expected to be posted on or before Monday, 3 August 2026 to those entitled thereto at their registered addresses by ordinary post at their own risk. If the 2026 Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Monday, 3 August 2026 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

Application for listing of the Rights Shares

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the 2026 Rights Issue. No part of the securities (including debt securities) of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchange.

The nil-paid and fully-paid Rights Shares will be traded in board lots of 2,000 Consolidated Shares.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

REASONS FOR AND BENEFITS OF THE 2026 RIGHTS ISSUE AND THE USE OF PROCEEDS

Current financial position of the Group

The Group is principally engaged in the property development, property investment and property leasing in the PRC.

As disclosed in the annual report of the Company for the year ended 31 December 2025 (the "**2025 Annual Report**"), cash and cash equivalents amounted to approximately RMB7.0 million, whereas interest-bearing bank and other borrowings amounted to approximately RMB1,222.6 million, convertible bonds outstanding amounted to approximately RMB270.0 million and other payables and accruals of approximately RMB2,927.1 million as at 31 December 2025.

Further, for the year ended 31 December 2025, while the revenue of the Group amounted to approximately RMB109.5 million, representing an increase of approximately 26.0% as compared to the same period of the previous year, the gross profit of the Group amounted to approximately RMB4.9 million, representing a decrease of approximately 76.1% as compared to the previous year.

As disclosed in (i) the 2025 Annual Report; (ii) the announcement of the Company dated 16 January 2026 (the "**2026 First Update Announcement**"); and (iii) the announcement of the Company dated 31 March 2026 (the "**2026 Second Update Announcement**"), the management of the Company has been undertaking a number of measures to mitigate the liquidity pressure and to improve the financial position of the Group, including but not limited to 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 Company has partially repaid approximately HK$70 million of the debt and interests of the Group utilising the net proceeds raised under the 2025 Rights Issue, and has negotiated a waiver of approximately HK$14 million of interests. Further, the Company understands that the Group's existing lenders do not have the intention to demand immediate repayment at the moment, and the holder of the convertible bonds has agreed not to demand repayment until 1 January 2027.

Although the Company completed the 2025 Rights Issue on 29 July 2025, as disclosed in the 2025 Annual Report, the net proceeds raised under the 2025 Rights Issue of approximately HK$78.3 million has been entirely utilised as follows:

(i) approximately HK$72.0 million was utilised for the settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings, and other payables and accruals of the Group (as set out above); and

(ii) approximately HK$6.3 million was utilised as general working capital of the Group (including but not limited to the Group's daily operational expenses for the six months following the completion of the 2025 Rights Issue).

The Company is also proactively progressing with (i) the acceleration of the pre-sale and sale of properties under development and completed properties, (ii) the procurement and formulation of the terms with as with large property developer to sell individual property development project or whole commercial property at an appropriate price and the identification and negotiations with new investors to participate in renovation works in order to increase the underlying value and to accelerate the sale of commercial properties more rapidly and effectively, and (iii) the acceleration of de-stocking of its properties, as disclosed in the 2025 Annual Report, the 2026 First Update Announcement and the 2026 Second Update Announcement.

That being said, the above measures will take time to negotiate and implement, and the Group still faces an imminent need for financial resources to settle the overdue liabilities and replenish its working capital. While proactively progressing with the above measures, the Board considers that the 2026 Rights Issue will assist in reducing the immediate financial burden of the Group significantly and have a positive impact on the financial position of the Group.

Consideration of other fund-raising alternatives and benefits of the 2026 Rights Issue

The Directors had considered other fund-raising alternatives available to the Group, including debt financing such as bank borrowings, and other equity financing such as placing or subscription of new Shares. The Directors are of the view that debt financing will result in additional interest burden and the interest rate is expected to be sustained at a relatively high level in prevailing borrowing market. Besides, the debt financing will further increase the gearing ratio of the Group which is not beneficial to the Group.

As disclosed in 2025 Annual Report, the current portion of the existing interest-bearing bank and other borrowings amounting to approximately RMB1,222.6 million were overdue, and were subject to heavy penalties due to such default. Further, such borrowings were secured by pledges over the major assets of the Group, including properties in the PRC, and guarantees by Mr. Chen and other subsidiaries of the Company, The overall effective interest rate of such borrowings as at 31 December 2025 was approximately 3.0% to 36.00% per annum. Further, under the prevailing market conditions and considering the net liabilities position of the Group, it is likely that financial institutions would require additional security and/or guarantee to be provided by the Group or other stringent conditions such as increasing interest rates, which may be difficult for the Group to satisfy given the pledges and guarantees by the Group have already been provided to the existing borrowings and are not readily available and the deficit financial position of the Group. Given the above constraints and the high cost of debt financing, it may be difficult for the Group to obtain new debt financing with favourable commercial terms.

Further, the Directors have also considered recent market observations indicating that lending institutions in Hong Kong and the PRC have generally adopted a more conservative stance given the existing macroeconomic and political factors and current credit market conditions, such as the impact of elevated interest rates in the US and also political unrest in the Middle East. Financial institutions in Hong Kong and the PRC appear to have maintained a cautious approach towards credit underwriting, which may result in higher pricing and more stringent terms for corporate borrowings generally.

Accordingly, the Directors consider it prudent and in the best interests of the Company to assume that the cost of debt financing may remain high or may increase further in light of the above.

The Directors consider that financing the funding needs of the Group in the form of equity is a better alternative. Amongst the equity financing methods, placing or subscription of new Shares would dilute the shareholding of the current Shareholders without giving the chance to the current Shareholders to participate the subscription of new Shares. Instead of the placing or subscription of new Shares, the 2026 Rights Issue enables the Group to improve its financial position without increasing its debt or finance costs.

Since the 2026 Rights Issue will allow the Qualifying Shareholders to maintain their proportional shareholdings in the Company and allow the Group fulfil its aforementioned needs for financial resources to partially settle the overdue liabilities and replenish its working capital, the Directors consider that raising capital through the 2026 Rights Issue is in the best interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders (if any) should note that their shareholdings in the Company will be diluted.

Intended use of proceeds from the 2026 Rights Issue

Assuming full subscription under the 2026 Rights Issue, the maximum gross and net proceeds (after deducting related expenses) from the 2026 Rights Issue are estimated to be approximately up to HK$106.0 million and HK$101.4 million, respectively. The Company intends to apply the net proceeds from the 2026 Rights Issue in the following manner:

(i) approximately 96.0% (being approximately HK$97.4 million) for the settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings, and other payables and accruals of the Group;

(ii) approximately 1.80% (being approximately HK$1.8 million) for the acquisition of property development projects located in the PRC which possess strong growth and value potential with a view to diversifying the Group's property portfolio and strengthening the overall revenue and profitability of the Group in the future; and

(iii) approximately 2.20% (being approximately HK$2.2 million) as general working capital of the Group, including but not limited to its daily operational expenses of the Group for the forthcoming twelve months upon completion of the 2026 Rights Issue.

In the event that there is an undersubscription of the 2026 Rights Issue, the net proceeds will be utilised on a pro rata basis as set out above.

In view of the above, the Board considers that it is fair and reasonable and in the best interests of the Company and the Shareholders as a whole to proceed with the 2026 Rights Issue to provide current Shareholders the opportunity to participate in the enlarged capital base of the Company.

As at the Latest Practicable Date, and assuming that all the Rights Shares have been fully subscribed and/or placed, the Company has no intention to carry out other equity fundraising activities in the twelve (12) months immediately following the completion of the 2026 Rights Issue. However, after such period, the Board cannot rule out the possibility that the Company may conduct further debt and/or equity fundraising activities in the future when suitable opportunities arise in order to repay outstanding loans and other borrowings of the Group to further mitigate the liquidity pressure and improve the financial position, and to support the operational needs and future development of the Group. The Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fundraising activities in the past twelve months immediately preceding the Latest Practicable Date, other than the 2025 Rights Issue the details of which are set out below:

Date of initial announcement	Fundraising activity	Net proceeds	Intended use of proceeds	Actual use of proceeds
6 December 2024 (completed on 29 July 2025)	Rights issue on the basis of four (4) rights Shares for every one (1) Share at HK$1.12 per rights Share	Approximately HK$78.3 million	(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	Fully utilised as intended (details as set out in the 2025 Annual Report)

EFFECTS ON SHAREHOLDING STRUCTURE

To the best knowledge of the Directors, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the completion of the 2026 Rights Issue (assuming full acceptance by all Qualifying Shareholders under the 2026 Rights Issue); and (iii) immediately after the completion of the 2026 Rights Issue (assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing):

Shareholders	**As at the Latest Practicable Date**		**Immediately after the completion of the 2026 Rights Issue (assuming full acceptance by the Qualifying Shareholders)**		**Immediately after the completion of the 2026 Rights Issue (assuming (a) no subscription by the Qualifying Shareholders; and (b) all the Placing Shares are placed to Independent Third Parties under the Placing)**	
	Shares	*Approx %*	*Shares*	*Approx %*	*Shares*	*Approx %*
Xinxing Company Limited *(Note 1)*	9,732	0.26	68,124	0.26	9,732	0.04
Placees	–	–	–	–	22,543,464	85.71
Other public Shareholders	3,747,512	99.74	26,232,584	99.74	3,747,512	14.25
Total	**3,757,244**	**100.00**	**26,300,708**	**100.00**	**26,300,708**	**100.00**

Notes:

1. Xinxing Company Limited is a company wholly-owned by Mr. Chen. Accordingly, Mr. Chen is deemed to be interested in the same number of Shares in which Xinxing Company Limited is interested by virtue of the SFO.

2. If any of the placees subscribes for 10% or more of the Shares under the Placing, he/she/it will become a substantial shareholder of the Company after completion of the Placing. The Company will continue to comply at all times with the public float requirements under Rule 8.08 of the Listing Rules before and after completion of the 2026 Rights Issue and the Placing.

3. Shareholders and public investors should note that the above shareholding scenarios are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the 2026 Rights Issue are subject to various factors, including the results of acceptance of the 2026 Rights Issue and the results of the Placing.

If a Qualifying Shareholder does not accept the Rights Shares provisionally allotted to him/her/it in full under the 2026 Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

TAXATION

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

It is emphasised that none of the Company, the Directors or any other parties involved in the 2026 Rights Issue accepts responsibility for any tax effects or liabilities of, any person resulting from subscribing for, purchasing, holding, exercising, disposing of or dealings in any rights in relation to the Rights Shares in both their nil-paid and fully-paid form.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND/OR THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the 2026 Rights Issue is subject to the fulfilment of the conditions as set out in the section headed "2026 Rights Issue – Details of the 2026 Rights Issue – Conditions of the 2026 Rights Issue". Therefore, if such conditions are not fulfilled, the 2026 Rights Issue will not proceed.

Shareholders and potential investors of the Company should note that the Placing is subject to the fulfilment of the conditions as set out in the section headed "2026 Rights Issue – Details of the 2026 Rights Issue – Placing Agreement – Conditions Precedent". Therefore, if such conditions are not fulfilled, the Placing will not proceed.

The 2026 Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

Any Shareholder or other person dealing in the Shares, the Consolidated Shares and/or the nil-paid Rights Shares up to the date when all the conditions of the 2026 Rights Issue are fulfilled or the Placing Long Stop Date, which is expected to be Friday, 24 July 2026, will accordingly bear the risk that the 2026 Rights Issue and/or the Placing may not proceed.

Any Shareholder or other person contemplating transferring, selling, or purchasing Shares is advised to exercise caution when dealing in the Shares, the Consolidated Shares and/or the nil-paid Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

INFORMATION ON THE PARTIES

Information on the Group

The Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability whose shares are listed on the Stock Exchange. The Group is principally engaged in the property development, property investment and property leasing in the PRC.

Information on the Placing Agent

Advent Securities (Hong Kong) Limited is a corporation licensed under the SFO to carry out Type 1 (dealing in securities) regulated activity.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the 2026 Rights Issue will increase the total number of issued Shares of the Company by more than 50% within twelve (12) month period immediately preceding the date of the First Announcement, the 2026 Rights Issue is conditional upon the Shareholders' approval at the EGM, and any controlling shareholder(s) of the Company and their associates, or where there are no controlling shareholder(s), the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates, shall abstain from voting in favour of the resolution(s) in relation to the 2026 Rights Issue and the Placing at the EGM.

As at the date of the EGM, the Company did not have any controlling shareholders. Mr. Chen, an executive Director, chairman and the chief executive officer of the Company, was interested in the 243,300 Existing Shares beneficially owned by Xinxing Company Limited, a company wholly-owned by Mr. Chen, representing approximately 0.26% of the total issued Existing Shares. Therefore, Mr. Chen and his associates shall abstain from voting in favour of the resolution(s) approving the 2026 Rights Issue, the Placing and the transactions contemplated thereunder at the EGM in accordance with Rule 7.27A(1) of the Listing Rules. As at the date of the EGM, save for Mr. Chen, none of the Directors or chief executive of the Company had any interest in the Shares.

As disclosed in the poll results announcement of the Company dated 1 June 2026, the resolution for approving the Share Consolidation and the transactions contemplated thereunder were duly passed by the Shareholders, and the resolutions for approving the 2026 Rights Shares, the Placing and the transactions contemplated thereunder were duly passed by the Independent Shareholders. Mr. Chen and his associates were required to abstain and had so abstained from voting in favour of the proposed resolution approving the 2026 Rights Issue, the Placing and the transactions contemplated thereunder at the EGM in accordance with Rule 7.27A of the Listing Rules. Save for Mr. Chen, no other Shareholder was required to abstain from voting for the proposed resolutions at the EGM.

The 2026 Rights Issue, together with the 2025 Rights Issue, does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the 2026 Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
By order of the Board
Xinming China Holdings Limited
Shi Jianwen
Executive Director

1. SUMMARY OF FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for the year ended 31 December 2023 ("**FY2023**") have been set out on pages 130 to 226 in the annual report 2023 of the Company which was published on 21 March 2025 on the Stock Exchange"s website (http://www.hkexnews.hk) and the Company's website (http://www.xinm.net.cn). Please also see below the link to the annual report 2023 of the Company:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0321/2025032100029.pdf

The audited consolidated financial statements of the Group for the year ended 31 December 2024 ("**FY2024**") have been set out on pages 133 to 222 in the annual report 2024 of the Company which was published on 30 April 2025 on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.xinm.net.cn). Please also see below the link to the annual report 2024 of the Company:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0430/2025043004215.pdf

The audited consolidated financial statements of the Group for the year ended 31 December 2025 ("**FY2025**") have been set out on pages 119 to 206 in the annual report 2025 of the Company which was published on 30 April 2026 on the Stock Exchange's website ((http://www.hkexnews.hk) and the Company's website (http://www.xinm.net.cn). Please also see below the link to the annual report 2025 of the Company:

https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0430/2026043003262.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 April 2026, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Prospectus, the details of the Group's indebtedness are as follows:

Other borrowings:

		As at 30 April 2026
	Note	*RMB'000*
Other borrowings – unsecured and guaranteed	*(a)*	1,222,214

Note:

(a) As at 30 April 2026, other borrowings of approximately RMB1,209,000,000 were guaranteed by the director of the Company and certain assets of the Group.

Convertible bonds

	As at 30 April 2026 *RMB'000*
Convertible bonds – secured and guaranteed	200,677

As at the close of business on 30 April 2026, save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have any other borrowings or indebtedness in the nature of borrowings of the Group issued and outstanding or agreed to be issued, including debt securities, term loans, other borrowings or indebtedness, bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase commitments, mortgages, charges, guarantees or other contingent liabilities.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors are of the opinion that, taking into consideration the Group's present financial resources and the estimated net proceeds from the 2026 Rights Issue, the working capital available for the Group is sufficient for its present requirements for at least the twelve (12) months from the Latest Practicable Date in the absence of any unforeseen circumstances.

4. NO MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited accounts of the Group were made up, up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in property development, property investment and property leasing in the PRC.

The Group generated revenue of approximately RMB422.6 million during FY2023, despite the market sentiments in the property sector remaining unchanged, the increase in revenue is due to completion of the second and third phases of the residential development of Shandong Tengzhou Xingmeng International Commercial City(山東滕州興盟國際商城)(the "**Shandong Project**") and delivery of the properties to the customers during the year. The Group generated revenue of approximately RMB86.8 million during FY2024, which was mainly attributable to the completion of sale of commercial properties in the second and third phases of the Shandong Project, which had been affected by the overall downturn in the PRC property market. The Group generated revenue of approximately RMB109.5 million during FY2025. Total gross floor area of property sales delivered was approximately 14,397.7 sq.m., representing an increase of approximately 6,946.4 sq.m. as compared with FY2024 due to the increase in sales activity of the

Shangdong Project and the property development project Shanghai Xinming • Children's World (the "**Shanghai Project**") but at lower selling prices and the sluggish market sentiment resulting in prolonged sales cycles and intensified market competition as real estate developers aggressively pursued sales by lowering prices and offering promotions.

As at the Latest Practicable Date, the details of the Company's key property development projects are as follows:

Project name	Existing use	Phase	Development stage	Remaining saleable GFA (m^2) (approx.)	Sales/leasing progress
Shandong Project	Residential and commercial	Block nos. 1, 2, 3, 4, 5, 6, 7, 13, 15 of the residential properties	Construction completed in June 2023, currently in the process of applying for title certificates for each unit	Pending issue of title certificates	Pending issue of title certificates
		Block nos. 9 and 16 of the residential properties	Construction completed in September 2025, title certificates expected to be obtained by June 2026	Residential properties: 8,200 m^2	In progress, expected to complete the sale of approximately 55% of the residential units by the end of 2026
		Block nos. 12, 19 and 20 of the residential properties	Under development, expected to begin construction in May 2026 and obtain pre-sale permit by October 2026. Construction expected to be completed in October 2028.	Residential properties: 33,400 m^2	Expected to begin presales by October 2026, and expected to complete the sale of approximately 35% of the residential units by the end of 2026
		Zone A of the commercial properties	Construction completed	46,500 m^2	Commercial leasing expected to begin in June 2026
		Zone B4 of the commercial properties	Construction completed	10,500 m^2	Commercial leasing expected to begin in June 2026
		Ground floor commercial shops	Construction completed	3,900 m^2	In progress, approximately 15% of shops were sold in 2026
Shanghai Project	Commercial	N/A	Construction completed	92,400 m^2, of which: 43,700 m^2 are saleable; and 48,700 m^2 are held for investment	In progress, expected to be completed by July 2026

The Group generated gross profit of approximately RMB53.4 million during FY2023, representing a gross profit margin of approximately 12.6%. The Group generated gross profit of approximately RMB20.7 million for FY2024, representing a gross profit margin of approximately 23.8%. The decrease in gross profit for FY2023 and FY2024 was mainly attributable to the sale of Shandong residential properties held for sale at a lower price due to the negative market sentiments, which had stabilised and improved slightly in FY2024 due to cost control measures implemented by the Group for the Shandong residential properties held for sale. The Group generated gross profit of approximately RMB4.9 million for FY2025, representing a gross profit margin of approximately 4.5%. The decrease in gross profit margin for FY2024 and FY2025 was mainly attributable to an increase in the sales contribution of the Shanghai Project, which has a higher construction costs as compared to the Shandong Project and the lower average selling price of properties sold amid increased competitive pricing amongst property developers.

The Group recorded loss of approximately RMB592.6 million during FY2023, mainly attributable to other expenses of approximately RMB444.1 million, which is mainly liquidated damages on borrowings. The Group recorded loss of approximately RMB589.7 million during FY2024, mainly attributable to a decrease in revenue and the increase in liquidated damages on borrowings. The Group recorded loss of approximately RMB239.3 million during FY2025, mainly attributable to a decrease in other expenses during FY2025.

In 2026, China's economy is expected to continue to have a stable growth. The PRC government has set a GDP growth target of 4.5%–5% for 2026 under the "15th Five-Year Plan". The PRC government has shown efforts to implement mid- to long-term policy measures focused on promoting and facilitating the construction of high-quality property developments and advancing urban renewal projects in the PRC, indicating that the real estate sector is a fundamental industry to the country. Various cities in the PRC are expected to implement new policies and approaches to manage the new housing supply and reduce existing housing inventory. It is expected that with the easing of restrictions on and lowering the barriers and costs of home purchases in major cities, the transaction volume and prices in the PRC real estate sector will stabilise and improve overall market confidence as a result. Looking ahead to 2026, the Group expects a gradual and steady recovery as the effect of PRC government's supportive policies filters through to the broader market, transitioning into a return to normal business operations.

The Group sees both challenges and opportunities during this pivoting transition period. The Group will remain cautious yet proactive, by leveraging the Group's established presence in Shandong and the Yangtze River Delta to capture emerging demand. With proper positioning and strategic marketing of the completed and soon-to-be completed residential property development projects, the Group will be able to locate potential customers and buyers who target quality properties with investment potential. By focusing on the restoration of the Group's credit profile and the successful property sales of the Shanghai Project, the Group aims to transition from a period of financial survival to a stage of sustainable revitalization in 2026.

The Group will continue to proactively progress with (i) the acceleration of the pre-sale and sale of properties under development and completed properties, (ii) the procurement and formulation of the terms with large property developer(s) to sell property development project(s) and/or commercial properties at an appropriate price and the identification and negotiations with new investors to participate in renovation works in order to increase the underlying value and to accelerate the sale of properties more rapidly and effectively, and (iii) the acceleration of de-stocking of its properties while also exploring the feasibility of assets revitalisation (including but not limited to changing of property use and sale of properties in its entirety). Furthermore, the Group will negotiate with different financial institutions in respect of its outstanding borrowings, with a view to improving its liability and financial gearing conditions.

For illustrative purposes only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the 2026 Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial results and positions for the financial periods concerned.

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE LIABILITIES

The following is the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company (the "**Unaudited Pro forma Financial Information**") which has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the 2026 Rights Issue on the consolidated net tangible liabilities of the Group attributable to equity holders of the Company as if the 2026 Rights Issue had been completed on 31 December 2025. As it is prepared for illustrative purposes only, and because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible liabilities of the Group attributable to equity holders of the Company had of the 2026 Rights Issue been completed as at 31 December 2025 or at any future date.

The Unaudited Pro Forma Information is prepared based on the audited consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 as derived from the annual report 2025 of the Company and is adjusted for the effect of the 2026 Rights Issue as if the 2026 Rights Issue had been completed as at 31 December 2025.

	Audited consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 *(Note 1)* *HK$'000*	**Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 per Consolidated Share before completion of the 2026 Rights Issue** *(Note 2)* *HK$'000*	**Estimated net proceeds from the 2026 Rights Issue** *(Note 3)* *HK$'000*	**Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 immediately after completion of the 2026 Rights Issue** *HK$'000*	**Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 per Consolidated Share immediately after completion of the 2026 Rights Issue** *(Note 4)* *HK$'000*
Based on 22,543,464 Rights Shares to be issued at the Subscription Price of HK$4.70 per Consolidated Share	(3,744,436)	(0.99)	101,354	(3,643,082)	(0.14)

Notes:

1. The audited consolidated net tangible liabilities of the Group attributable to equity holders of the Company of HK$3,744,436,000 as at 31 December 2025 is extracted from the annual report 2025 of the Company. The amount is based on deducting non-controlling interests of approximately HK$358,970,000 from the total deficit of approximately HK$4,103,407,000. Based on an exchange rate of RMB1 to HK$1.104 as at 31 December 2025.

2. The number of Shares and audited consolidated net tangible liabilities attributable to owners of the Company used for the calculation of the unaudited pro forma adjusted consolidated net tangible liabilities of the Group per Share attributable to the owners of the Company before the completion of the Rights Issue, is based on 3,757,244 Consolidated Shares (equivalent to 93,931,100 Existing Shares) in issue as at 31 December 2025 and approximately HK$3,744,436 as at 31 December 2024 respectively.

3. The estimated net proceeds from the 2026 Rights Issue are based on 22,543,464 Rights Shares (calculated on the basis of six (6) Rights Shares for every one (1) Consolidated Share held on the Record Date, details as disclosed in note 4) to be issued at the subscription price of HK$4.70 per Rights Share, after deducting the estimated related expenses of HK$4,600,000 to be incurred by the Group.

4. The unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 per Consolidated Share immediately after completion of the 2026 Rights Issue is calculated based on the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 of HK$3,643,082,000 divided by 26,300,708 Consolidated Shares in issue upon completion of the 2026 Rights Issue, which comprises 3,757,244 Consolidated Shares in issue before the 2026 Rights Issue and 22,543,464 Rights Shares to be issued under the 2026 Rights Issue.

5. No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

(B) REPORTING ACCOUNTANTS' REPORT ON PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Global Link CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's Unaudited Pro Forma Financial Information prepared for the purpose of incorporation in this Prospectus.



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No. 168-200 Connaught Road Central,
Sheung Wan, Hong Kong
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Website: www.globallinkcpa.com

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Board of Directors of Xinming China Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Xinming China Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to equity holders of the Company as at 31 December 2025 and related notes as set out on in appendix II of the prospectus issued by the Company dated 15 June 2026 (the "**Prospectus**") issued in connection with the proposed rights issue of the Company. The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the proposed rights issue of the Company on the basis of six rights shares for every one share held on the record date on a non-underwritten basis (the "**Rights Issue**") on the Group's financial position as at 31 December 2025 as if the Rights Issue had taken place at 31 December 2025. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's audited consolidated financial statements for the year ended 31 December 2025, on which an audit report with a disclaimer of opinion has been published.

Directors' Responsibility for the Unaudited pro forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management ("**HKSQM**") 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Prospectus is solely to illustrate the impact of the Rights Issue on unadjusted financial information of the Group as if the Rights Issue had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 December 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Global Link CPA Limited
Certified Public Accountants
Hong Kong
15 June 2026

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the 2026 Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to and including the Record Date) will be as follows:

(a) As at the Latest Practicable Date

	Number of Shares	Nominal value of Shares
		HK$
Authorised	400,000,000	100,000,000
Issued and fully paid	3,757,244	939,311

(b) Immediately after completion of the 2026 Rights Issue

	Number of Shares	Nominal value of Shares
		HK$
Authorised	400,000,000	100,000,000
Issued and fully paid	3,757,244	939,311
Rights Shares to be issued	22,543,464	5,635,866
Shares in issue immediately after the 2026 Rights Issue	26,300,708	6,575,177

The Rights Shares (when allotted, fully-paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Consolidated Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

As at the Latest Practicable Date, the Company has no outstanding warrants, options or convertible securities in issue or other similar rights entitling holders thereof to convert into or exchange into or subscribe for new Shares. The Company has no intention to issue or grant any Shares, warrants, options and/or convertible securities on or before the Record Date.

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the 2026 Rights Issue. No part of the securities (including debt securities) of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures

As at the Latest Practicable Date, the interests or short positions of each Director and the chief executive of the Company in the Consolidated Shares, underlying Consolidated Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers contained in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Name of Director/ Chief Executive	Capacity	Number of Consolidated Shares held – long position	Approximate percentage of the issued share capital of the Company
Mr. Chen	Interest of controlled corporation *(Note 1)*	9,732	0.26%

Note 1: 9,732 Consolidated Shares are registered in the name of Xinxing Company Limited, a company wholly-owned by Mr. Chen.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company and their associates had any interests or short positions in any Consolidated Shares, underlying Consolidated Shares or debentures of the Company or any associated corporation which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers contained in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders' and other persons' interests and short positions in Shares and underlying Shares

Save as disclosed in paragraph (a) above in relation to the interests of Mr. Chen, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company was aware of any persons (other than the Directors and the chief executive of the Company), companies, or director or proposed director who was a director or employee of a company which, as at the Latest Practicable Date, had interests or short positions in the Consolidated Shares or underlying Consolidated Shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

4. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claims of material importance, and none of the Directors was aware of any litigation, arbitration or claims of material importance pending or threatened against any member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2025, being the date to which the latest published audited accounts of the Group were made up, up to and including the Latest Practicable Date, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

7. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business) were entered into by the members of the Group within two (2) years immediately preceding the date of this Prospectus and up to the Latest Practicable Date:

(a) the placing agreement dated 6 December 2024 entered into between the Company and the Placing Agent in relation to the placing of Shares in the 2025 Rights Issue;

(b) the placing agreement dated 16 June 2025 entered into between the Company and Asia Pacific Securities Limited (as placing agent) in relation to the placing of Shares in the 2025 Rights Issue;

(c) the Original Placing Agreement; and

(d) the Supplemental Placing Agreement.

8. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors was interested in any business which competed or was likely to compete directly or indirectly with the businesses of the Group.

9. QUALIFICATION AND CONSENT OF EXPERT

The following expert has given statement, opinion and/or advice which are contained or referred to in this Prospectus:

Name	Qualification
Global Link CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the expert above had given and had not withdrawn its written consent to the issue of this Prospectus with such expert's name and statement, opinion and/or advice included in the form and context in which it is included.

As at the Latest Practicable Date, the expert above (i) did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any Shares or securities in any member of the Group; and (ii) did not have any direct or indirect interest in any assets which had been, since 31 December 2025, being the date to which the latest published audited accounts of the Group were made up, up to and including the Latest Practicable Date, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION

Executive Directors	Mr. Chen Chengshou *(Chairman and Chief Executive Officer)* Mr. Shi Jianwen
Independent Non-executive Directors	Ms. Chan Wai Yan Ms. Huang Chunlian Ms. Lee Yin Man
Authorised representatives	Mr. Shi Jianwen Mr. Law Hok Yu

Company Secretary	Mr. Law Hok Yu *(Certified public accountant of the Hong Kong Institute of Certified Public Accountants)*
Business address of all the Directors and senior management	Room 126, 1/F Goodwill Industrial Building 36-44 Pak Tin Par Street Tsuen Wan, New Territories Hong Kong
Registered office	Windward 3, Regatta Office Park P.O. Box 1350 Grand Cayman KY1-1108 Cayman Islands
Headquarters in the PRC	Block I, 5th Floor Hengli Building No. 5 Huang Long Road, Hangzhou Zhejiang Province, the PRC
Principal place of business in Hong Kong	Room 126, 1/F Goodwill Industrial Building 36-44 Pak Tin Par Street Tsuen Wan, New Territories Hong Kong
Branch share registrar and transfer office in Hong Kong	Tricor Investor Services Limited 17th Floor, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal bankers	Industrial and Commercial Bank of China, Tengzhou Branch 1/F, Zhongwan International Jinghe Middle Road Tengzhou City, Shandong Province, PRC Agricultural Bank of China, Branch of Datong Road, Tengzhou 1/F, Minzu Building Tengzhou Railway Station Square Tengzhou City, Shandong Province, PRC

China Construction Bank, Branch of Datong Road, Tengzhou
1 Datong Road
Tengzhou City, Shandong Province, PRC

Agricultural Bank of China, Taizhou Jiazhi Branch
No. 101-108, Building 1
No. 8 North Section of Taizhou Avenue Jiazhi Street
Taizhou City, Zhejiang Province, PRC

Taizhou Bank, Hongjia Branch
No. 399 Hongzhou Avenue
Hongjia Street, Jiaojiang District
Taizhou City, PRC

Auditor

Global Link CPA Limited
Certified Public Accountants
Suite 1604, 16/F
Shun Tak Centre West Tower,
No. 168-200 Connaught Road Central
Sheung Wan, Hong Kong

11. PARTIES INVOLVED IN THE 2026 RIGHTS ISSUE

Company

Xinming China Holdings Limited
Room 126, 1/F
Goodwill Industrial Building
36-44 Pak Tin Par Street
Tsuen Wan, New Territories
Hong Kong

Reporting accountant of the Company

Global Link CPA Limited
Certified Public Accountants
Suite 1604, 16/F
Shun Tak Centre West Tower,
No. 168-200 Connaught Road Central
Sheung Wan, Hong Kong

Placing Agent

Advent Securities (Hong Kong) Limited
Unit A-C, 11/F, Kee Shing Centre
74-76 Kimberley Road
Kowloon, Hong Kong

12. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Executive Directors

Mr. Chen Chengshou, aged 60, was appointed as an executive Director, the chairman, chief executive officer, chairman of the Nomination Committee and an authorized representative of the Company on 16 January 2014. Mr. Chen ceased to be an authorized representative of the Company as a result of his intention to concentrate on his other role on the Board on 5 February 2020. He is the founder of the Group and primarily responsible for corporate strategic planning and overall business development of the Group. Mr. Chen had over 30 years of experience in the real estate industry. He has been the chairman of the board of Taizhou City Xinming Real Estate Development Company Limited*(台州市新明房地產開發有限公司) since February 2007 and a director of certain subsidiaries of the Group. Mr. Chen has been first participated in the management of the property development business in the PRC since June 2001 when he was appointed as the chairman of Hangzhou Taoyuan Shanzhuang Property Development Limited*(杭州桃源山莊房地產開發有限公司)("**Taoyuan Property**").

Mr. Chen is the chairman of Hangzhou City Chamber of Commerce for Enterprises Invested in Hangzhou*(杭州市來杭投資企業(商會)聯合會), a member of the standing committee of Federation of Industry & Commerce of Zhejiang Province*(浙江省工商聯), the vice-chairman of Hangzhou Public Diplomacy Association*(杭州公共外交協會), a member of the Eleventh Hangzhou City Committee of the Chinese People's Political Consultative Conference*(中國人民政治協商會議第十一屆杭州市委員會), the honorary chairman of the Hangzhou City Wenzhou Chamber of Commerce*(杭州市溫州商會), the chairman of the Nationwide Taishun Entrepreneurs Fellowship Association*(全國泰順企業家聯誼會) and the vice chairman of Hangzhou City Chamber of Commerce*(杭州市總商會). He was appointed as the deputy director of the market committee of Chinese General Chamber of Commerce*(中國商業聯合會) in March 2013. He has also been a director of Wenzhou Bank since November 2012 and a part-time tutor of master degree in international business of Zhejiang University(浙江大學) since February 2014.

Mr. Chen was awarded "Excellent Entrepreneur of Hangzhou*(傑出杭商)" in October 2016, "Outstanding Contribution of Entrepreneurs of Wenzhou for years 2013 to 2015* (2013-2015年度溫商回歸突出貢獻人物)" in September 2016, "Top ten in Zhejiang Real Estate Industry in the "12th Five-Year Plan"*(「十二五」浙江房地產十大風雲人物)" in June 2016, "2016 Worldwide Outstanding 30 People of Entrepreneur of Wenzhou (External)*(二零一六年世界溫商百名風雲人物－在外傑出溫商三十人)" in February 2016; "Wenzhou People of the Year*(世界溫州人年度人物)" and "One Hundred Excellent Entrepreneur of Wenzhou*(世界溫商百名風雲人物)" in December 2014; "Entrepreneur with Good Character of Hangzhou*(品質杭商)" jointly by Hangzhou Municipal Committee of the Communist Party of China*(中共杭州市委) and The People's Government of Hangzhou*(杭州市人民政府) in October 2013, "Outstanding Representative of Credible Entrepreneurs of Wenzhou*(誠信溫商傑出代表)" jointly by Promotion Department of Wenzhou Municipal Committee of the Communist Party of China*(溫州市委宣傳部) and Wenzhou Credibility Office*(溫州市信用辦公室) in August 2011, "Outstanding Builder of Socialist Undertaking*(優秀社會主義事業建設者)" jointly by Hangzhou Municipal Committee of the Communist Party of China*(中共杭州市委) and The People's Government of Hangzhou*(杭州市人民政府) in September 2010 and "Staff Caring Excellent Entrepreneur*(關愛員工優秀企業家)" jointly by Federation of Trade Union of Hangzhou*(杭州市總工會) and Hangzhou Federation of Industry and Commerce (杭州市工商聯合會) in December 2009.

Mr. Chen obtained a graduation certificate in administrative management (through online courses) from Huazhong University of Science and Technology (華中科技大學) in the PRC in July 2013. Mr. Chen obtained an executive master's degree in business administration from Cheung Kong Graduate School of Business (長江商學院) in the PRC in September 2015. Mr. Chen obtained a master's degree in business administration from Tsinghua University in April 2018.

Mr. Shi Jianwen, aged 32, was appointed as an executive director on 22 August 2025. Mr. Shi has over 7 years of experience in finance and corporate management. Since 2020, he has worked in Shenzhen Zhongzhu Kaixuan Supply Chain Management Co., Ltd. and is currently the general manager. Prior to 2020, he also worked in Shenzhen BYD International Financial Leasing Co., Ltd. and Hengtai International Financial Leasing Co., Ltd., as a project manager and account manager respectively. Since 20 May 2024, Mr. Shi served as a member of the Audit Committee, the Nomination Committee and the Remuneration Committee and as an independent non-executive director of Hang Yick Holdings Company Limited (stock code: 1894).

Mr. Shi obtained a bachelor's degree in Economics from Zhuhai College of Beijing Institute of Technology in 2017.

Independent Non-executive Directors

Ms. Lee Yin Man, aged 42, was appointed as an independent non-executive Director on 9 August 2024. She has 15 years of experience in human resources management, administration, company secretarial services and corporate communications of various companies listed on the Stock Exchange. From August 2016 to January 2018, Ms. Lee served as the human resources director of China Innovation Investment Limited (stock code: 1217). From February 2018 to December 2019, Ms. Lee served as the administration and human resources manager of Hope Life International Holdings Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1683). From January 2020 to March 2023, Ms. Lee served as the administration and human resources director of Greater Bay Convergence Services Limited. Ms. Lee holds a Bachelor of Arts Degree from the City University of Hong Kong and a Master Degree in Human Resources Management from Hong Kong Baptist University.

Ms. Huang Chunlian, aged 30, was appointed as an independent non-executive Director on 9 August 2024. She has over 7 years of experience in finance and corporate management. Ms. Huang has served as the financial director of Shenzhen Guangyi Xiangtong Trading Company Limited.*(深圳市廣翊翔通貿易有限公司) since 2020. Ms. Huang obtained a Bachelor's Degree in Accounting from South China Normal University (華南師範大學) in China in 2020.

Ms. Chan Wai Yan, aged 30, was appointed as an independent non-executive Director on 11 April 2025. She obtained a bachelor's degree in Accounting from University of Hull in England. Ms. Chan is a member of the Hong Kong Institute of Certified Public Accountants. Ms. Chan has over 8 years of financial and accounting experiences. Ms. Chan is currently an independent non-executive director of Hope Life International Holdings Limited (stock code: 1683), since October 2023, an independent non-executive director of Royal Century Resources Holdings Limited (stock code: 8125), since May 2024 and an independent non-executive director of OneConstruction Group Limited (Nasdaq stock code: ONEG) since the listing in December 2024.

13. EXPENSES

The expenses in connection with the 2026 Rights Issue, including financial advisory fees, placing commission (assuming nil acceptance of the Rights Shares by the Qualifying Shareholders and the placing of all Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent), printing, registration and translation fees, legal fees and accountancy charges are estimated to be approximately HK$4.6 million, which are payable by the Company.

14. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.xinm.net.cn) for not less than 14 days from the date of this Prospectus:

(a) the independent reporting accountants' assurance report in respect of the Group's unaudited pro forma financial information as set out in Appendix II to this Prospectus;

(b) the written consents of the expert as referred to in the section headed "9. Qualifications and Consents of Expert" in this Appendix;

(c) the material contracts referred in the section headed "7. Material Contracts" in this Appendix; and

(d) the annual reports of the Company for each of the three years ended 31 December 2023, 2024 and 2025.

15. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance thereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

16. MISCELLANEOUS

(a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

(b) In the event of any inconsistency, the English text of this Prospectus and the PAL shall prevail over their respective Chinese text.

17. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed "8. Qualification and Consent of Expert" in this appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.