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新明中国控股
XINMING CHINA

Xinming China Holdings Limited
新明中國控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2699)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS HIGHLIGHTS

- Revenue of the Group amounted to approximately RMB55.3 million, representing an increase of approximately 66.8% as compared to the same period of last year.
- Gross profit of the Group amounted to approximately RMB1.2 million, representing a decrease of approximately 74.4% as compared to the same period of last year.
- Loss attributable to the owners of the Company was approximately RMB108.2 million, representing a decrease of approximately 20.9% in loss as compared to the same period of last year.
- Basic loss per share attributable to owners of the Company was approximately RMB28.8.
- The Board did not recommend the payment of interim dividend for the six months ended 30 June 2026.

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Xinming China Holdings Limited (the "**Company**" or "**Xinming China**") hereby announces the unaudited interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2026 (the "**Period**") prepared in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"), together with comparative figures for the corresponding period of 2025.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
	Notes	**(Unaudited)**	(Unaudited)
REVENUE	4	**55,286**	33,142
Cost of sales		**(54,055)**	(28,342)
Gross profit		**1,231**	4,800
Other income and gains and losses	5	**69,710**	12,634
Selling and distribution costs		**(1,692)**	(3,367)
Administrative expenses		**(2,798)**	(6,129)
Other expenses, net		**(135,753)**	(107,844)
Finance costs	6	**(48,421)**	(47,755)
LOSS BEFORE INCOME TAX	6	**(117,723)**	(147,661)
Income tax expenses	7	**(1,082)**	–
LOSS FOR THE PERIOD		**(118,805)**	(147,661)
Other comprehensive expense item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operation		**131**	51
Total comprehensive expense for the period		**(118,674)**	(147,610)
LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Company		**(108,224)**	(136,804)
Non-controlling interests		**(10,581)**	(10,857)
		(118,805)	(147,661)

	Notes	For the six months ended 30 June **2026** ***RMB'000*** **(Unaudited)**	2025 *RMB'000* (Unaudited)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(108,093)**	(136,753)
Non-controlling interests		**(10,581)**	(10,857)
		(118,674)	(147,610)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	9		(Restated)
Basic *(RMB)*		**(28.8)**	(18.2)
Diluted *(RMB)*		**(28.8)**	(18.2)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2026 RMB'000 (Unaudited)	At 31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**658**	663
Investment properties	11	**927,800**	927,800
Deferred tax assets		**146,326**	217,127
		1,074,784	1,145,590
CURRENT ASSETS			
Properties under development		**342,914**	341,000
Completed properties held for sale		**527,141**	580,112
Trade receivables	12	**86,595**	61,343
Prepayments, other receivables and other assets		**54,020**	60,423
Restricted deposits		**541**	401
Cash and cash equivalents		**34,266**	6,977
		1,045,477	1,050,256
CURRENT LIABILITIES			
Trade payables	13	**99,461**	221,252
Other payables and accruals		**3,148,161**	2,927,148
Contract liabilities		**138,876**	178,741
Interest-bearing bank and other borrowings	14	**1,222,128**	1,222,629
Tax payable		**907,986**	906,904
Convertible bonds	15	**260,042**	269,983
		5,776,654	5,726,657
NET CURRENT LIABILITIES		**(4,731,177)**	(4,676,401)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(3,656,393)**	(3,530,811)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**178,770**	185,550
NET LIABILITIES		**(3,835,163)**	(3,716,361)

	Notes	At **30 June** **2026** ***RMB'000*** **(Unaudited)**	At 31 December 2025 *RMB'000* (Audited)
EQUITY			
Issued capital	17	**836**	836
Reserves		**(3,500,307)**	(3,392,086)
		(3,499,471)	(3,391,250)
Non-controlling interests		**(335,692)**	(325,111)
TOTAL DEFICITS		**(3,835,163)**	(3,716,361)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Xinming China Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 16 January 2014 as an exempted company with limited liability under the Companies Law, Chapter 22 of the Cayman Islands. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the Company's registered office is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in investment holding, properties development and properties leasing.

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis of preparation

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026 (the "**Interim Financial Statements**") have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (the "**IASB**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The Interim Financial Statements are presented in Renminbi ("**RMB**") and all amounts are rounded to the nearest thousand ("**RMB'000**") except when otherwise indicated.

The preparation of the Interim Financial Statements in conformity with IAS 34 requires the management of the Group to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period to date basis. Actual results may differ from these estimates.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2025, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with IFRS Accounting Standards which comprise standards and interpretations approved by the International Accounting Standards Board (the "**IASB**"), and International Accounting Standards ("**IASs**") and Standing Interpretations Committee Interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They shall be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2025 (the "**Annual Report**").

The Interim Financial Statements have been prepared on historical cost basis except for investment properties and convertible bonds which are measured at fair value.

The accounting policies and methods of computation applied in the preparation of the Interim Financial Statements are consistent with those applied in preparing the Annual Report except for the adoption of the new/revised IFRS Accounting Standards, IASs and Interpretations which are relevant to the Group as detailed in note 2.2 below (hereinafter collectively referred to as the "**new/revised IFRS Accounting Standards**") which are effective for current interim period.

Going Concern

The Group incurred a net loss of approximately RMB118,805,000 for the six months ended 30 June 2026. At 30 June 2026, the Group's current liabilities exceeded its current assets by approximately RMB3,656,393,000.

At 30 June 2026, borrowings with total principal amount of approximately RMB1,222,128,000 and convertible bonds amounting to approximately RMB260,042,000 were overdue pursuant to the relevant borrowing agreements.

All of the above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

(i) Continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests. The Management has been continuously negotiating with the Group's existing lenders on the renewal of or extension for repayment of outstanding borrowings such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default, including those with cross-default terms and hope to extend the due date and the repayment schedules of the outstanding borrowings.

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

(iii) accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and containing capital expenditure so as to generate adequate net cash inflows for the Group. As at the date of this announcement, the construction of Block 9 and 16 of phase 4 of the Shandong Project is ongoing as planned and expected delivery date of the said blocks is September 2025.

(iv) actively procuring and formulating the preliminary terms with large property developer to sell individual property development project or whole commercial property at an appropriate price. The Management is still identifying and negotiating terms with new investors to participate in investing Shanghai and Taizhou's renovation works in order to increase its underlying value and to accelerate the sale of commercial properties more rapidly and effectively. The management estimated that most of the net proceeds from the Shanghai Project will be used for the repayment of the outstanding borrowing. The sale of the Shanghai Project might constitute a transaction of the Company subject to announcement pursuant to Chapter 14 of the Listing Rules and subject to the relevant requirements under the Listing Rules.

(v) actively accelerate the de-stocking of its properties. The Company sells the residential property in Shandong and the whole or portion of commercial properties in Taizhou, Hangzhou and Shanghai as a package, with a view to accelerating the recovery of working capital to improve its liability and financial gearing conditions.

Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the Interim Financial Statements on a going concern basis.

2.2 Adoption of new/revised IFRSs

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to IFRS Accounting Standards of the IASB, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time:

Amendments to IAS 21	*Lack of Exchangeability*
Amendments to the Classification and Measurement of Financial Instruments	*Amendments to IFRS 9 and IFRS 7*
Contracts Referencing Nature-dependent Electricity	*Amendments to IFRS 9 and IFRS 7*
Annual Improvements to IFRS Accounting Standards – Volume 11	*Amendments to IFRS Accounting Standards*

The application of the new/revised IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in the Interim Financial Statements.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the property development segment engages in the development and sale of properties;

(b) the property leasing segment engages in leasing out properties for their rental income potential and/or for capital appreciation; and

(c) the others segment engages in investment holding.

The management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before income tax.

No analysis of the Group's assets and liabilities by operating segment is disclosed as it is not regularly provided to the chief operating decision-maker for review.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

For the six months ended 30 June 2026

	Property development *RMB'000*	**Property leasing** *RMB'000*	**Others** *RMB'000*	**Consolidated** *RMB'000*
Segment revenue				
Sales to external customers	**54,914**	**372**	**–**	**55,286**
Segment results	**(2,617)**	**(58,039)**	**(57,067)**	**(117,723)**
Loss before income tax				**(117,723)**
Other segment information				
Bank interest income	**4**	**–**	**–**	**4**
Depreciation of property, plant and equipment	**4**	**–**	**–**	**4**
Finance costs	**18,621**	**28,229**	**1,571**	**48,421**
Interest penalties	**39,850**	**29,627**	**66,226**	**135,703**

For the six months ended 30 June 2025

	Property development *RMB'000*	Property leasing *RMB'000*	Others *RMB'000*	Consolidated *RMB'000*
Segment revenue				
Sales to external customers	32,600	542	–	33,142
Segment results	(65,238)	(58,265)	(24,158)	(147,661)
Loss before income tax				(147,661)
Other segment information				
Bank interest income	3	1	–	4
Depreciation of property, plant and equipment	1	–	–	1
Finance costs	47,755	–	–	47,755
Interest penalties	71,487	–	35,421	106,908

Geographical information

Since the Group solely operates business in the PRC and almost all of the Group's non-current assets are located in the PRC, geographical segment information in accordance with IFRS 8 Operating Segments is not presented.

Information about major customers

Revenue from each of the major customer, which amounted to 10% or more of the total revenue is set out below:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A	**30,066***	N/A#
Customer B	**24,050***	N/A#

* *Revenue from property development.*

Revenue from the customer is less than 10% of the Group's total revenue in the respective year.

4. REVENUE

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within IFRS 15		
Sales of properties	**54,914**	32,600
Revenue from other sources		
Gross rental income from investment properties operating leases		
– other lease payments, including fixed payments	**372**	542
	55,286	33,142

(a) Disaggregated revenue information

In addition to the information shown in segment disclosures, the revenue from contracts with customers within IFRS 15 is disaggregated as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Geographical region:		
– The PRC	**54,914**	32,600
Timing of revenue recognition:		
– at a point in time	**54,914**	32,600
Type of transaction price:		
– fixed price	**54,914**	32,600

(b) **Performance obligations**

Information about the Group's performance obligations in respect of sales of properties is summarised below:

The performance obligation is satisfied when customers obtain the physical possession or the legal title of the completed properties and the Group has right to payment and the collection of the consideration is probable.

5. OTHER INCOME AND GAINS AND LOSSES

		For the six months ended 30 June	
		2026	2025
		RMB'000	*RMB'000*
	Notes	**(Unaudited)**	(Unaudited)
Other income			
Bank interest income		**4**	4
Others		**–**	1,832
		4	1,836
Gains and losses			
Exchange gain/(losses), net		**11,787**	10,798
Net gain on de-consolidation	18	**57,919**	–
		69,706	10,798
		69,710	12,634

6. LOSS BEFORE INCOME TAX

This is stated after charging (crediting):

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance costs		
Interest on interest-bearing bank and other borrowings	**48,421**	47,755
Less: Interest capitalised	**–**	–
Total finance costs	**48,421**	47,755

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Staff costs (excluding directors' emoluments)		
Salaries, allowances and benefits-in-kind	**1,057**	2,556
Contribution to defined contribution plans	**295**	618
	1,352	3,174
Other items		
Cost of properties sold	**53,989**	28,171
Cost of leasing properties	**66**	171
Depreciation of property, plant and equipment	**4**	1
Interest penalties (included in "other expenses")	**135,703**	106,908

7. INCOME TAX

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
Land appreciation tax ("**LAT**")	**1,082**	–
	1,082	–
Deferred tax		
Origination and reversal of temporary differences	**–**	–
Total income tax charge for the period	**1,082**	–

The Group is subject to income tax on an entity based on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operated. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "**BVI**"), the Group's entities incorporated in the Cayman Islands and the BVI are not subject to any income tax.

The Group's subsidiaries incorporated in Hong Kong are not liable for income tax as they did not have any assessable income arising in Hong Kong during both interim periods.

The Group's entities established in the PRC are subject to PRC Enterprise Income Tax at a statutory rate of 25%.

Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

No provision for income tax had been made for the six months ended 30 June 2026 as the relevant Group's entities reported tax losses.

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned leasehold interest on land, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items.

The Group has estimated and made tax provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

8. DIVIDENDS

The directors did not recommend the payment of an interim dividend in respect of the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

9. LOSS PER SHARE

For the six months ended 30 June 2026, the calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company amounting approximately RMB108,224,000 (30 June 2025: RMB136,804,000), and the weighted average number of ordinary shares of 3,757,244 (30 June 2025: 7,514,480 (restated)) in issue. The diluted loss per share was same as basic loss per share as there was no potential ordinary shares outstanding for the periods ended 30 June 2026 and 2025.

10. IMPAIRMENT OF COMPLETED PROPERTIES HELD FOR SALE

The Group makes estimates of the selling prices, the costs of completion of completed properties held for sale, and the costs to be incurred in selling the properties based on prevailing market conditions. Based on the assessment, the net realisable value of one of the completed properties held for sale is lower than its carrying amount and impairment of approximately RMBnil (2024: RMBnil) was recognised in profit or loss during the six months ended 30 June 2026.

11. INVESTMENT PROPERTIES

	RMB'000
At 1 January 2026 (audited) and 30 June 2026 (unaudited)	927,800

The Group's investment properties consist of commercial properties completed in the PRC. The Group's investment properties were revalued on 30 June 2026 based on valuations performed by the director of the Company at approximately RMB927,800,000 (31 December 2025: RMB927,800,000).

At 30 June 2026, the Group's investment properties with aggregate values of RMB859,974,000 (31 December 2025: RMB859,974,000) were pledged to secure interest-bearing bank and other borrowings granted to the Group (note 14).

12. TRADE RECEIVABLES

	At 30 June 2026 *RMB'000* (Unaudited)	At 31 December 2025 *RMB'000* (Audited)
Trade receivables	**98,774**	73,522
Less: Allowance for impairment	**(12,179)**	(12,179)
	86,595	61,343

Trade receivables represent rentals receivable from tenants which are normally payable on demand and sales income receivables from customers which are payable in accordance with the terms of the related sales and purchase agreements.

Trade receivables are unsecured and non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, and net of loss allowance, is as follows:

	At 30 June 2026 *RMB'000* (Unaudited)	At 31 December 2025 *RMB'000* (Audited)
Within one year	**86,595**	61,343

An ageing analysis of the trade receivables by due date and net of loss allowance as at the end of the reporting period is as follows:

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Past due		
Within 1 year	**86,595**	61,343

13. TRADE PAYABLES

An ageing analysis of the outstanding trade payables at the end of the reporting period, based on the invoice date, is as follows:

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB '000*
	(Unaudited)	(Audited)
Less than one year	**–**	8,364
Over one year	**99,461**	212,888
	99,461	221,252

The trade payables are unsecured and non-interest-bearing.

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	At 30 June 2026			At 31 December 2025		
	Effective interest rate	**Maturity**		Effective interest rate	Maturity	
	%		***RMB'000***	%		*RMB'000*
			(Unaudited)			(Audited)
Current						
Current portion of long term bank and other borrowings	**3.00-36.00**	**On demand or within one year**	**1,222,128**	3.00-36.00	On demand or within one year	1,222,629

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB '000*
Analysed into:		
Bank and other borrowings repayable on demand or within one year	**1,222,128**	1,222,629

At 30 June 2026, the Group's borrowings amounting approximately RMB1,222,128,000 (31 December 2025: RMB1,213,499,000) were overdue pursuant to the relevant agreements which constituted events of defaults.

In connection with the default and cross-default (if applicable), the Group was subject to penalties of approximately RMB1,241,744,000 (31 December 2025: RMB1,172,267,000) which were included in the other payables and accruals at 30 June 2026.

The Group's borrowings are secured by the pledges of the following assets as at 30 June 2026 and 31 December 2025 as follows:

(i) At 30 June 2026, the Group's borrowings of approximately RMB216,847,000 (31 December 2025: RMB216,847,000) were secured by the 100% equity interest in 台州溫商時代置業有限公司 (Taizhou Wenshang Times Property Limited*) ("**Wenshang Times**"), a subsidiary of the Company.

At 30 June 2026, the Group's borrowings of approximately RMB879,877,000 (31 December 2025: RMB879,877,000) were secured by the Group's investment properties with aggregate carrying values of approximately RMB859,974,000 (31 December 2025: RMB859,974,000).

(ii) At 30 June 2026, the Group's borrowings of approximately RMB216,847,000 (31 December 2025: RMB216,847,000) were jointly guaranteed by (i) the former controlling shareholder, Mr. Chen Chengshou, (ii) the former non-executive director, Ms. Gao Qiaoqin, (iii) a subsidiary of the Company, and (iv) Xinming Group Limited, a related party of the Group.

At 30 June 2026, the Group's borrowings of approximately RMB532,152,000 (31 December 2025: RMB532,152,000) were jointly guaranteed by (i) the former controlling shareholder, Mr. Chen Chengshou, (ii) the non-executive director, Ms. Gao Qiaoqin, and (iii) a subsidiary of the Company.

At 30 June 2026, the Group's borrowings of approximately RMB460,000,000 (31 December 2025: RMB460,000,000) were jointly guaranteed by (i) the former controlling shareholder, Mr. Chen Chengshou, (ii) the non-executive director, Ms. Gao Qiaoqin, (iii) Xinming Group Limited, a related party of the Group, and (iv) Miss Chen Xi and Mr. Chen Junshi, the daughter and the son of the former controlling shareholder, Mr. Chen Chengshou and (v) a subsidiary of the Company.

15. CONVERTIBLE BONDS

On 1 June 2018, the Company issued convertible bonds in the aggregate principal amount of HK$300,000,000 (equivalent to approximately RMB252,604,000 (the "**Convertible Bonds**") at the price of 100% of their principal amount. The Convertible Bonds are redeemable at the option of the bondholders at a price of HK$1.39 per bond on 1 June 2020. The convertible bonds bear interest at the rate of 6.5% plus 1% handling fee per annum (the "**Coupon Rate**") and are payable in arrears every six months.

The Convertible Bonds were matured on 31 May 2020 and the outstanding principal amount was not yet settled up to 30 June 2026.

* *English name is for identification purpose only.*

The Convertible Bonds were recognised as financial liabilities designated upon initial recognition at fair value through profit or loss.

	RMB'000
1 January 2025	282,125
Exchange difference	(12,142)
At 31 December 2025 (audited) and 1 January 2026	269,983
Exchange difference	(9,941)
At 30 June 2026 (unaudited)	260,042

The Group's Convertible Bonds were valued by management of the Group by using discounted cash flow method with the following key assumptions:

Discount rate	Coupon Rate

Details of the fair value measurement are set out in note 16.

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		**Fair values**	
	At 30 June 2026	At 31 December 2025	**At 30 June 2026**	At 31 December 2025
	RMB'000	*RMB '000*	***RMB'000***	*RMB '000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Financial liabilities				
Convertible bonds	**260,042**	269,983	**260,042**	269,983

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The convertible bonds were recognised as financial liabilities designated upon initial recognition as at fair value through profit or loss.

Fair value hierarchy

Liabilities measured at fair value

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Convertible bonds				
At 30 June 2026 (Unaudited)	–	–	260,042	–
At 31 December 2025 (Audited)	–	–	269,983	269,983

At 30 June 2026 and 31 December 2025

Liability	Fair value hierarchy	Valuation technique	Unobservable input	Relationship of unobservable inputs to fair value
Convertible bonds	Level 3	Discounted cash flow method	Discount rate	The higher the discount rate, the lower the fair value

During the six months ended 30 June 2026, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3 for both financial assets and financial liabilities.

The details of the movements of the recurring fair value measurements categorised as Level 3 of the fair value hierarchy are as follows:

	RMB'000
1 January 2025	282,125
Exchange difference	(12,142)
At 31 December 2025 (audited) and 1 January 2026	269,983
Exchange difference	(9,941)
At 30 June 2026 (unaudited)	260,042

17. ISSUED CAPITAL

	Number of shares	Nominal value	Nominal value
			Equivalent to
		HK$	*RMB*
Authorised:			
At 31 December 2025 and 2024	1,880,000,000	18,800,000	14,891,000
Issued and fully paid:			
At 1 January 2025, 31 December 2024 and 2025	1,878,622,000	18,786,220	14,880,000
Share consolidation	(1,859,835,780)	(18,598,358)	(14,731,000)
Rights issue	75,144,880	751,449	687,000
At 31 December 2025 and 1 July 2025	93,931,100	939,311	836,000
Share consolidation	(90,173,856)	–	–
At 30 June 2026	3,757,244	939,311	836,000

18. LIQUIDATION OF A SUBSIDIARY

On 15 May 2026, the Hangzhou Intermediate People's Court, Zhejiang Province（浙江省杭州市中級人民法院）made a judgement pursuant to a liquidation petition dated 13 April 2026 (the "**Judgement**") filed by a creditor of Hangzhou Xinming Property Investment Limited（杭州新明置業投資有限公司）("**Hangzhou Xinming**") against Hangzhou Xinming, an indirect non-wholly owned subsidiary of the Company for the appointment of a liquidator.

As a result of the Judgement, Hangzhou Xinming ceased to be controlled by the Company with effect from 15 May 2026. Accordingly, a net gain on de-consolidation of a subsidiary of approximately RMB57,919,000 was expected to charge to profit or loss during the period and subject to the completion of the liquidation.

Details of net gain on de-consolidation of a subsidiary are summarised as follows:

	RMB'000
Property, plant and equipment	1
Deferred tax assets	70,801
Prepayments, other receivables and other assets	5,021
Cash and cash equivalents	68
Trade payables	(119,683)
Other payables and accruals	(263,969)
Contract liabilities	(7,209)
Interest-bearing bank and other borrowings	(273,929)
Tax payable	(112,275)
Deferred tax liabilities	(6,780)
Net liabilities of Hangzhou Xinming	(707,954)
Provision from liquidation of Hangzhou Xinming	650,035
– Provision for litigations and claims	263,831
– Interest-bearing bank and other borrowings	273,929
– Tax payable	112,275
Net gain on de-consolidation	(57,919)

MANAGEMENT DISCUSSION AND ANALYSIS

(Including financial review)

BUSINESS AND FINANCIAL OVERVIEW

During the Period, the Group recorded total revenue of approximately RMB55.3 million, representing an increase of approximately 66.8% from approximately RMB33.1 million of the same period of last year. The sales revenue was approximately RMB54.9 million, representing an increase of approximately 68.4% as compared to the corresponding period of last year.

Loss attributable to the owners of the Company for the Period amounted to approximately RMB108.2 million, representing a decrease of 20.8% from a loss of approximately RMB136.8 million for the corresponding period of last year. The decrease in loss was mainly due an increase of other income and gains and losses by approximately RMB57.1 million as compared to the corresponding period of last year mainly arising from a net gain on the deconsolidation of a subsidiary. Please refer to note 18 to the unaudited consolidated financial statement for further details.

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2026.

As at 30 June 2026, the Group's total assets amounted to approximately RMB2,120.3 million (31 December 2025: approximately RMB2,195.8 million). Total liabilities was approximately RMB5,955.6 million (31 December 2025: approximately RMB5,912.2 million), total deficits was approximately RMB3,835.2 million (31 December 2025: total deficits of approximately RMB3,716.4 million).

Sales

During the Period, the Group recorded total revenue of approximately RMB55.3 million, representing an approximate of RMB22.2 million or an approximate 66.8% increase from approximately RMB33.1 million for the corresponding period of last year. During the Period, property sales revenue was approximately RMB54.9 million, representing approximately 99.3% of its total revenue.

The following table shows revenue by operating segment for the periods indicated:

	For the six months ended 30 June			
	2026		2025	
	(RMB million)	***(%)***	*(RMB million)*	*(%)*
	(Unaudited)		(Unaudited)	
Sales of properties	**54.9**	**99.3**	32.6	98.4
Rental income	**0.4**	**0.7**	0.5	1.6
Total revenue	**55.3**	**100**	33.1	100

Property sales

During the Period, the Group recorded property sales revenue of approximately RMB54.9 million, representing an increase of approximately RMB22.3 million or 68.4% from approximately RMB32.6 million for the same period of last year. This was mainly due to the increase in sales of phase 4 of the Shandong Project during the Period.

Property leasing

The Group carries out property leasing business through leasing its commercial properties held for investment.

During the Period, rental income amounted to approximately RMB0.4 million, representing a decrease of approximately RMB0.1 million or 31.4% from approximately RMB0.5 million for the same period of last year.

Gross profit

During the Period, gross profit amounted to approximately RMB1.2 million, representing a decrease of approximately RMB3.6 million or approximately 74.4% compared to RMB4.8 million for the same period of last year. Gross profit margin was approximately 2.2%, representing a decrease of 12.3% as compared to approximately 14.5% in the same period of last year. It is expected that the Group's gross profit margin will maintain steady in the second half of 2026.

Other income and gains and losses

During the Period, other income and gains and losses amounted to approximately RMB69.7 million, representing an increase of approximately RMB57.1 million or approximately 4.5 times as compared to RMB12.6 million in the same period of last year, mainly due to a net gain on the deconsolidation of a subsidiary during the Period. Please refer to note 18 to the unaudited consolidated financial statements for further details.

Selling and administrative expenses

During the Period, selling and administrative expenses amounted to approximately RMB4.5 million, representing a decrease of approximately RMB5.0 million or approximately 52.7% compared to approximately RMB9.5 million for the same period last year. Selling and distribution expenses decreased by approximately RMB1.7 million, mainly due to effective control of marketing and promotional activities for commercial projects. Administrative expense is decreased by approximately RMB3.3 million, mainly due to the effective management of labor and office cost.

Other expenses

During the Period, other expenses amounted to approximately RMB135.8 million, representing an increase of approximately RMB27.9 million or approximately 25.9% as compared to approximately RMB107.8 million for the same period of last year. During the Period, the liquidated damages on borrowings amounted to approximately RMB135.7 million. Breakdown of other expenses is set out below:

	For the six months ended 30 June	
	2026	2025
	RMB million	*RMB million*
Liquidated damages on borrowings	**135.7**	106.9
Others	**0.1**	0.9
Total	**135.8**	107.8

Operating loss

During the Period, the operating loss was approximately RMB117.7 million, representing a decrease of approximately RMB29.9 million or approximately 20.3% compared to the loss of approximately RMB147.7 million for the same period of last year, mainly due to the increase of other income and gains and losses during the Period.

Finance costs

During the Period, finance costs amounted to approximately RMB48.4 million, representing an increase of approximately RMB0.6 million or approximately 1.3% compared to approximately RMB47.8 million for the same period of last year.

Income tax expenses

During the Period, income tax expenses amounted to approximately RMB1.1 million derived from land appreciation tax, no income tax expense was recorded for the same period of last year.

Loss attributable to owners of the Company

During the Period, the loss attributable to owners of the Company amounted to approximately RMB108.2 million, representing a decrease in loss of approximately RMB28.6 million or approximately 20.9% compared to the loss of approximately RMB136.8 million for the corresponding period of last year. The basic loss per share increased from loss per share of approximately RMB(18.2) (restated) for the same period of last year to loss per share of approximately RMB(28.8) during the Period.

Land reserve

Since the publication of the Group's annual report for the year ended 31 December 2025, there was no material change in the possible future development of the Group's business and the Group's outlook for the Period.

Cash and cash equivalents

As at 30 June 2026, the Group's cash and bank deposits, including restricted cash, were a total of approximately RMB34.8 million, representing an increase of approximately RMB27.4 million or approximately 3.7 times as compared to 31 December 2025 (31 December 2025: approximately RMB7.4 million).

Trade receivables, prepayments, other receivables and other assets

As at 30 June 2026, the sum of trade receivables, prepayments, other receivables and other assets of the Group was approximately RMB131.6 million, representing an increase of approximately RMB9.8 million or approximately 8.1% as compared to approximately RMB121.8 million as at 31 December 2025.

Trade payables, contract liabilities, other payables and accruals

As at 30 June 2026, the sum of trade payables, contract liabilities, other payables and accruals of the Group was approximately RMB3,386.6 million, representing an increase of approximately RMB59.5 million or approximately 1.8% as compared to approximately RMB3,327.1 million as at 31 December 2025 due to the relevant interest penalty and penalty provision for debt default amount charged.

Assets and liabilities

As at 30 June 2026, the Group's total assets was approximately RMB2,120.3 million, representing a decrease of approximately RMB75.6 million or approximately 3.4% as compared to approximately RMB2,195.8 million as at 31 December 2025. Total current assets was approximately RMB1,045.5 million, representing a decrease of approximately RMB4.8 million or approximately 0.5% from approximately RMB1,050.3 million as at 31 December 2025 and accounting for approximately 49.3% of total assets (31 December 2025: 47.8%). Total non-current assets was approximately RMB1,074.8 million, representing a decrease of approximately RMB70.8 million or approximately 6.2% from approximately RMB1,145.6 million as at 31 December 2025 and accounting for approximately 50.7% of total assets (31 December 2025: 52.2%).

As at 30 June 2026, the Group's total liabilities was approximately RMB5,955.6 million, representing an increase of approximately RMB43.4 million or approximately 0.7% compared to approximately RMB5,912.2 million as at 31 December 2025. Total current liabilities was approximately RMB5,776.8 million, representing an increase of approximately RMB50.1 million or approximately 0.9% compared to approximately RMB5,726.7 million as at 31 December 2025 and accounting for approximately 97.0% of total liabilities (31 December 2025: 96.9%). Total non-current liabilities was approximately RMB178.8 million, representing a decrease of approximately RMB6.8 million or approximately 3.7% from approximately RMB185.6 million as at 31 December 2025 and accounting for approximately 3.0% of total liabilities (31 December 2025: approximately 3.1%).

As at 30 June 2026, the Group had net current liabilities of approximately RMB4,731.3 million, representing an increase of approximately RMB54.9 million or approximately 1.2% from approximately RMB4,676.4 million as at 31 December 2025.

Current ratio

As at 30 June 2026, the current ratio of the Group, being the ratio of the current assets divided by the current liabilities, was 0.18:1 (31 December 2025: 0.18:1).

Gearing ratio

As at 30 June 2026, the gearing ratio of the Group was (60.6)% (31 December 2025: (62.0)%) as calculated by net debt (interest-bearing bank and other borrowings and convertible bonds, less cash and cash equivalents) divided by the sum of total equity and net debt.

Convertible bonds

Pursuant to the general mandate, on 1 June 2018, the Group issued convertible bonds in the amount of HK$300 million for a term of two years. The convertible bonds bear interest at a rate of 6.5% plus 1% handling fee per annum, and the interest is payable in arrears every half year. The convertible bonds can be converted into shares at the conversion price of HK$1.39 per share at any time before and after the issue date and up to the close of business on the business day immediately preceding the maturity date. For details, please refer to the Company's announcement dated 15 May 2018. The convertible bonds matured on 1 June 2020.

The principal amount of approximately RMB274.1 million (equivalent to HK$300 million) and interests have no material settlement as of the date of this announcement.

Capital structure

The Group's operations were financed mainly by shareholder's equity, financing of loans from bank for the Group and internal resources. The Group will continue its treasury policy of placing its cash and cash equivalents as interest-bearing deposits.

The Group's loans and cash and cash equivalents were mainly denominated in Renminbi. The interest-bearing bank and other borrowings denominated in Renminbi of the Group as of 30 June 2026 were approximately RMB1,222.1 million (31 December 2025: RMB1,212.7 million).

Borrowings

As at 30 June 2026, the Group's total interest-bearing bank and other borrowings were approximately RMB1,222.1 million, decreased slightly by approximately RMB0.5 million from approximately RMB1,222.6 million as at 31 December 2025.

The Group's interest-bearing bank and other borrowings repayable on demand or within one year were approximately RMB1,222.1 million, decreased slightly by approximately RMB0.05 million from approximately RMB1,222.6 million as at 31 December 2025. Details of the borrowings are set out in note 14 to the condensed consolidated financial statements.

SIGNIFICANT EVENTS

Share consolidation and rights issue

On 1 June 2026, the Company held an extraordinary general meeting to consider and approve, among other things, the resolutions in relation to the share consolidation and rights issue.

The share consolidation came into effect on 3 June 2026 and the rights issue was completed on 4 August 2026.

For details of above-mentioned, please refer to the circular dated 15 May 2026 and the announcements dated 16 February 2026 and 22 April 2026 published by the Company on the Stock Exchange's HKEX news website.

Disclaimer of opinion of 2025 annual report

As at 30 June 2026, interest-bearing bank and other borrowings of approximately RMB1,222.1 million were not paid in accordance with the repayment schedules pursuant to the borrowing agreements which constituted events of defaults.

The Company remains committed to address the audit modification disclosed in the 2025 annual report dated 30 June 2026. In this regard, the Management has been undertaking a number of measures to improve the Group's liquidity and financial position, and repay overdue interest to financial institutions, which include:

(i) continuously negotiating with various financial institutions on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principals and interests. The management has been continuously negotiating with the Group's existing lenders on the renewal of or extension for repayment of outstanding borrowings such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default, including those with cross-default terms and hope to extend the due date and the repayment schedules of the outstanding borrowings. As of 30 June 2026, interest-bearing bank and other borrowings amounted to approximately RMB1,222.1 million. As of the date of this announcement, there is no material court proceedings relating to the outstanding borrowings of the Group except for the de-consolidation of subsidiaries in note 18.

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

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

As disclosed in the prospectus of the Company on 15 June 2026, the Company proposed, among other things, to raise up to approximately HK$106.0 million before expenses by way of a rights issue (the "**Rights Issue**") of 22,543,464 rights shares (the "**Rights Shares**") at a subscription price of HK$4.70 per Rights Share on the basis of six Rights Shares for every one consolidated Share held by the qualifying shareholders on the record date. The Rights Issue was approved by the independent shareholders of the Company at an extraordinary general meeting convened by the Company on 1 June 2026 and dealings in the Rights Shares commenced on 4 August 2026. The gross proceeds raised from the Rights Issue were approximately HK$106.0 million and the net proceeds (after deducting the related expenses) from the Rights Issue were approximately HK$101.4 million. As disclosed in the prospectus of the Rights Issue, the Company intends to apply the net proceeds from the Rights Issue as follows: (i) approximately 96.0% (being approximately HK$97.4 million) for settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings and other payables and accruals of the Group; (ii) approximately 1.8% (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 2.2% (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 Rights Issue.

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

(iv) actively procuring and formulating the preliminary terms with large property developer to sell individual property development project or whole commercial property at an appropriate price. The Management is still identifying and negotiating terms with new investors to participate in investing Shanghai and Taizhou's renovation works in order to increase its underlying value and to accelerate the sale of commercial properties more rapidly and effectively. The management estimated that most of the net proceeds from the Shanghai Project will be used for the repayment of the outstanding borrowing. The sale of the Shanghai Project might constitute a transaction of the Company subject to announcement pursuant to Chapter 14 of the Listing Rules and subject to the relevant requirements under the Listing Rules.

(v) actively accelerate the de-stocking of its properties. The Company intends to sell the residential property in Shandong and the whole or portion of commercial properties in Taizhou, Hangzhou and Shanghai as a package, with a view to accelerating the recovery of working capital to improve its liability and financial gearing conditions.

Taking into account the above plan and measures, the Directors are satisfied that it is appropriate to prepare the unaudited condensed consolidated financial statements for the Period on a going concern basis.

The Company will keep its shareholders informed by publishing further announcement(s) setting out any developments and updates on the renewal of or extension for repayment of Outstanding Borrowings and the re-financing of such borrowings.

Significant investments held

Except for investment in subsidiaries, the Group did not hold any significant investment in equity interest in any other companies during the Period.

Future plans for material investment and capital assets

The Group had no other plans for material investments and capital assets.

Material acquisitions and disposals of subsidiaries and joint ventures

The Group did not make any material acquisitions and disposals of subsidiaries and joint ventures during the Period.

Guarantees on mortgage facilities

As at 30 June 2026, the Group provided guarantees for the mortgage loans given by certain purchasers of approximately RMB35.3 million (31 December 2025: approximately RMB35.3 million).

Asset guarantees

As at 30 June 2026, the Group had pledged or restricted bank deposits of approximately RMB0.5 million (31 December 2025: approximately RMB0.4 million). In addition, partial other borrowings of the Group were secured by the Group's certain properties under development, completed properties held for sale, investment properties and the equity interests in certain subsidiaries of the Group, and jointly guaranteed by an executive Director, Mr. Chen Chengshou ("**Mr. Chen**"), Mr. Chen's spouse and children and the Group's related company, Xinming Group Limited, and other minority shareholders of certain subsidiaries of the Group free of charge.

Capital expenditure

During the Period, the Group's total capital expenditure was approximately RMB0 million in respect of purchase of property, plant and equipment (six months ended 30 June 2025: approximately RMB0 million).

Capital commitments

As at 30 June 2026, capital commitments related to activities of properties under development were approximately RMB37.5 million (31 December 2025: approximately RMB39.9 million).

Exposure to exchange rate fluctuations

The Group operates mainly in Renminbi, though certain bank deposits of the Group are denominated in Hong Kong dollars. Save as disclosed above, the Group is not exposed to any material foreign exchange rate fluctuation risk and has not engaged in foreign currency hedging policies. However, the Group will closely monitor the foreign exchange risk and may, as the case may be and depending on foreign currency trends, consider applying significant foreign currency hedging policies in the future.

Employees

As at 30 June 2026, the Group has a total of 35 employees (as at 30 June 2025: a total of 40 employees). The decrease was mainly due to the adoption of a cost efficiency campaign. The Group continuously promoted the upgrading of talents, cultivated and recruited excellent talents with sales and management experience, improved the allocation system of remuneration linked to performance and maintained harmonious labor relations. The remuneration of employees of the Group will be based on their performance, experience and the prevailing market remuneration. Moreover, the Group has also adopted a share option scheme and a share award scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

SIGNIFICANT LITIGATION

During the Period, the Company had no new significant litigation or arbitration matters that needed to be brought to the attention of directors and Shareholders of the Company except for the deconsolidation in note 18.

PLEDGE OF ASSETS

Save as disclosed in notes 14 and 15 to the unaudited consolidated financial statements, there was no other pledge of assets.

CORPORATE GOVERNANCE PRACTICES

The Board is of opinion that the Company had adopted, applied and complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules and complied with the code provisions of the CG Code during the Period. None of the Directors was aware of any information that would reasonably indicate that the Company was incompliant with the code provisions of the CG Code during the Period, except for the deviations as follows:

Under code provision C.2. 1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Chen is the chairman and the chief executive officer of the Company ("**CEO**"). The Group therefore did not separate the roles of the chairman and the CEO. The Board considered that Mr. Chen had in-depth knowledge and experience in the property investment and development industry and was the most appropriate person to manage the Group. Therefore, the roles of chairman and CEO were performed by the same individual, Mr. Chen, and such arrangement was considered to be beneficial to the business prospects and management of the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct of dealings in securities of the Company by the Directors. Upon specific enquiries being made to all the Directors, each of them has confirmed that they complied with the required standards set out in the Model Code during the Period.

REVIEW OF INTERIM RESULTS

The audit committee of the Company (the "**Audit Committee**") consists of three independent non-executive Directors, Ms. Lee Yin Man (being the chairman of the Audit Committee), Ms. Huang Chunlian and Ms. Chan Wai Yan. The Company's unaudited condensed consolidated interim results announcement and financial report for the Period have been reviewed by the Audit Committee.

EVENTS AFTER THE END OF THE PERIOD

As disclosed in the prospectus of the Company on 15 June 2026, the Company proposed, among other things, to raise up to approximately HK$106.0 million before expenses by way of the Rights Issue of 22,543,464 Rights Shares at a subscription price of HK$4.70 per Rights Share on the basis of 6 Rights Shares for every one consolidated Share held by the qualifying shareholders on the record date.

The Rights Issue was approved by the independent shareholders of the Company at an extraordinary general meeting convened by the Company on 1 June 2026 and dealings in the Rights Shares commenced on 4 August 2026.

The gross proceeds raised from the Rights Issue were approximately HK$106.0 million and the net proceeds (after deducting the related expenses) from the Rights Issue were approximately HK$101.4 million. As disclosed in the prospectus of the Rights Issue, the Company intends to apply the net proceeds from the Rights Issue as follows: (i) approximately 96.0% (being approximately HK$97.4 million) for settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings and other payables and accruals of the Group; (ii) approximately 1.8% (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 2.2% (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 Rights Issue.

Save as disclosed above, no significant events took place after the end of the Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The interim results announcement has been published on the websites of the Company (www.xinm.com.cn) and the Stock Exchange (www.hkexnews.hk). The 2026 interim report will be dispatched to shareholders in due course and will also be available at the Company's and the Stock Exchange's websites in due course.

By order of the Board
Xinming China Holdings Limited
Mr. Shi Jianwen
Executive Director

Hong Kong

31 August 2026

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

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