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Xinming China Holdings Limited

新明中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2699)

**ANNOUNCEMENT
PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE
AND
END OF OFFER PERIOD**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Xinming China Holdings Limited (the “**Company**”) pursuant to Rule 3.7 of the Code on Takeovers and Mergers (the “**Takeovers Code**”).

Reference is made to the announcements of the Company dated 24 November 2020 and 22 December 2020 relating to the appointment of receiver over certain shares of the Company, the announcements of the Company dated 15 May 2018 and 10 October 2019 in relation to the issue of convertible bonds to Chance Talent Management Limited (“**Chance Talent**”), and the announcements of the Company dated 22 December 2020, 21 January 2021, 22 February 2021, 22 March 2021, 21 April 2021, 25 May 2021, 22 June 2021, 22 July 2021, 23 August 2021, 21 September 2021, 20 October 2021, 22 November 2021, 21 December 2021, 26 January 2022, 25 February 2022, 25 March 2022, 28 April 2022, 24 May 2022, 28 June 2022, 28 July 2022, 31 August 2022, 29 September 2022, 31 October 2022, 30 November 2022, 30 December 2022, 27 January 2023, 27 February 2023, 27 March 2023 and 27 April 2023 made pursuant to Rule 3.7 of the Takeovers Code (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

Reference is also made to the “Practice Note 24 (PN24) — Receivers, liquidators and when to commence offer period(s)” issued by the Securities and Future Commission on 18 November 2022 (the “**PN24**”).

THE RECEIVERSHIP

As disclosed in the announcement of the Company dated 24 November 2020, the Company was informed that Messrs. Lai Kar Yan and Ho Kwok Leung Glen, both of Deloitte Touche Tohmatsu, were appointed on 18 November 2020 by Chance Talent as joint and several receivers (the “**Receivers**”) over 940,000,000 Shares held by Xinxing Company Limited (“**Xinxing**”).

Possible sale of the Charged Shares

Since the last monthly update announcement of the Company dated 27 April 2023, enquiries had been made by the Company to the Receivers, as to (i) whether the Receivers had any plan to sell the 940,000,000 Shares (the “**Charged Shares**”), representing 50.04% of the entire issued share capital of the Company, that were charged as security to Chance Talent for the convertible bonds (the “**Convertible Bonds**”) in the aggregate principal amount of not more than HK\$300,000,000 as mentioned in the announcement of the Company dated 15 May 2018; (ii) whether there were any discussion with any potential purchaser(s) about any sale of the Charged Shares; and (iii) whether the Receivers had received any offer to acquire the Charged Shares. On 24 May 2023, the Receivers advised the Company that they have been in discussions with potential investors regarding potential acquisition of the Charged Shares, and no legally binding agreement has been entered into as at the date of this announcement.

As advised by the Receivers, based on the information currently available to the Receivers, the discussions with potential investors are subject to uncertainties. As such, the Company considers that a bona fide offer is unlikely to be imminent.

Possible sale of the Convertible Bonds

As at the date of this announcement, the principal amount of HK\$300,000,000 and interests under the Convertible Bonds remains unsettled. Notwithstanding that the Company has not involved in discussions of the disposal of the Convertible Bonds and the CB Holder has no obligation to disclose to the Company about the details of the process and discussions with the potential investors regarding the disposal of Convertible Bonds, enquiries had been made by the Company to the holder of the Convertible Bonds (“**CB Holder**”), Chance Talent, as to any plan to sell the Convertible Bonds. Based on the understanding of the Directors, the CB Holder has sent invitations of tender to potential investors to acquire the Convertible Bonds and received certain tenders. The CB Holders have discussed with potential investors and potential investors have conducted certain due diligence, and no legally binding agreement has been entered into as at the date of this announcement. The discussions with potential investors have been subject to uncertainties including the publication of the audited annual results of the Company for the year ended 31 December 2022 and resumption of trading of the shares of the Company.

As far as the Directors understand, the CB Holders would discharge the receivership should the Convertible Bonds be transferred. However, it is uncertain as to whether a new receiver will be or may be appointed by the purchaser of the Convertible Bonds over the Charged Shares.

END OF OFFER PERIOD

Having considered PN24 and that an offer is unlikely to be imminent as mentioned above, the offer period is ended on the date of this announcement. Upon the end of the offer period, the Company will cease to publish further monthly announcements in respect of the possible mandatory general offer, which would otherwise be required under Rule 3.7 of the Takeovers Code.

If the Receivers subsequently indicate to the Company that any discussion with any new potential purchasers and/or those investors whom they are currently in discussion on potential sale of a controlling stake of the Company (i.e. 30% of the issued share capital of the Company or more) and/or the Charged Shares and that a bona fide offer is likely to be imminent as a result of such discussion, further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement is set out below:

	Number of Shares held	Approximately % of Shareholding^(Note 1)
Xinxing ^(Notes 2 & 3)	776,467,800	41.33%
Ho Kwok Leung Glen and Lai Kar Yan (in the capacity as Receivers) ^(Note 3)	187,862,200	10.00%
Public Shareholders	<u>914,292,000</u>	<u>48.67%</u>
Total	<u><u>1,878,622,000</u></u>	<u><u>100%</u></u>

Notes:

1. The percentage is based on 1,878,622,000 ordinary Shares issued as at the date of this announcement.
2. Xinxing is held as to 100% by Mr. Chen Chengshou as at the date of this announcement. Receivers were appointed on 18 November 2020 over 940,000,000 ordinary Shares, representing approximately 50.04% of the total issued share capital of the Company, held by Xinxing in favour of Chance Talent.

3. On 11 February 2021, the Receivers, namely, Messrs. Lai Kar Yan and Ho Kwok Leung Glen, withdrew 187,862,200 Shares that have been charged to Chance Talent from CCASS and registered such 187,862,200 Shares in their names. As such, the Shares held by Xinxing that have been charged to Chance Talent decreased from 940,000,000 Shares to 752,137,800 Shares, representing approximately 40.04% of the total issued share capital of the Company, i.e. 752,137,800 out of 776,467,800 Shares held by Xinxing have been charged to Chance Talent.

Shareholders and public investors should exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

By order of the Board
Xinming China Holdings Limited
Chen Chengshou
Chairman and Chief Executive Officer

Hong Kong, 20 June 2023

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

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