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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)**

## **MONTHLY UPDATE ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE**

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 (the “**Announcements**”) dated 24 November 2020 and 22 December 2020 relating to the appointment of receiver over certain shares of the Company and the announcements of the Company dated 21 January 2021, 22 February 2021 and 22 March 2021 made pursuant to Rule 3.7 of the Takeovers Code. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

### **THE RECEIVERSHIP**

As disclosed in the announcement of the Company dated 24 November 2020, the Board was requested by the Receivers to confirm, within seven days of the letter to appoint a board observer nominated by the Receivers. The Company sought legal advice and understood that since the Receivers were not registered shareholders of the Company, they were not entitled to nominate a board observer, therefore such board observer had not been appointed. On 18 December 2020, the Receivers requested the appointment of a non-executive Director and an independent non-executive Director and the Company had also sought legal advice and understood that since the Receivers were not registered shareholders of the Company at that time, they were not entitled to nominate Directors. On 19 February 2021, the Company received a notice (the “**Requisition Notice**”) from the Receivers who stated that they jointly hold not less than 10% of the total paid up capital of the Company, requisitioning for an extraordinary general meeting of the Company for the appointment of Directors. On 16 April 2021, the Board has appointed Mr. Choi

Clifford Wai Hong and Mr. Chu Kin Wang Peleus as non-executive Director and independent non-executive Director, respectively. Accordingly, the Receivers have withdrawn the Requisition Notice.

As at the date of this Announcement, the principal amount of HK\$300,000,000 and interests under the Convertible Bonds remains unsettled as at the date of this Announcement.

Since the last monthly update announcement of the Company dated 22 March 2021, 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, representing 50.04% of the entire issued share capital of the Company, that were charged to Chance Talent (the “**Charged Shares**”); (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 19 April 2021, the Company is updated by the Receivers that there were discussions with several investors to sell the Charged Shares but the Receivers have not received any formal offer to acquire the Charged Shares and no legally binding agreement has been entered.

## THE SPA

The Board wishes to update the shareholders and potential investors of the Company that, as at the date of this announcement, to the best of the knowledge of the Directors having made all reasonable enquiries, (i) consent has not been given by Chance Talent to approve the transfer of the Charged Shares to BE City HK and the SPA has not been completed; and (ii) no agreement, arrangement and/or understanding has been entered into in respect of the disposal of all or any of the Relevant Shares between BE City HK and Chance Talent and the Receivers.

## 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 <sup>(Note 1)</sup>
Xinxing <sup>(Notes 2 &amp; 3)</sup>	776,467,800	41.33%
Ho Kwok Leung Glen and Lai Kar Yan (in the capacity as Receivers) <sup>(Note 3)</sup>	187,862,200	10.00%
Public Shareholders	<u>914,292,000</u>	<u>48.67%</u>
<b>Total</b>	<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. 752,137,800 out of 776,467,800 Shares held by Xinxing have been charged to Chance Talent. 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 name. 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.

## **MONTHLY UPDATE**

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. 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).

**Warnings: There is no assurance that the Receivership will result in a change of controlling shareholder and it may or may not lead to general offer under Rule 26.1 of the Takeovers Code for the securities of the Company. Further, the discussions between BE City HK and Chance Talent and the Receivers may or may not result in a binding agreement and therefore the disposal of all or any of the Relevant Shares to BE City HK may or may not proceed or materialise, even if it materialises, it may or may not lead to a change in control of the Company. 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, 21 April 2021

*As at the date of this announcement, the executive Directors are Mr. Chen Chengshou, Mr. Feng Cizhao and Mr. Pu Wei; the non-executive Directors are Ms. Gao Qiaoqin, Mr. Chou Chiu Ho and Mr. Choi Clifford Wai Hong; and the independent non-executive Directors are Mr. Fong Wo, Felix, Mr. Gu Jiong, Mr. Lo Wa Kei, Roy and Mr. Chu Kin Wang Peleus.*

*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.*