

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 this announcement.*



## **ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025**

### **INTERIM RESULTS HIGHLIGHTS**

- Revenue of the Group amounted to approximately RMB33.1 million, representing a decrease of approximately 57.9% as compared to the same period of last year.
- Gross profit of the Group amounted to approximately RMB4.8 million, representing a decrease of approximately 69.5% as compared to the same period of last year.
- Loss attributable to the owners of the Company was approximately RMB136.8 million, representing a decrease of approximately 59.1% in loss as compared to the same period of last year.
- Basic loss per share attributable to owners of the Company was approximately RMB0.728.
- The Board did not recommend the payment of interim dividend for the six months ended 30 June 2025.

### **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 2025 (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 2024.

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

		<b>For the six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b>RMB'000</b>	<b>RMB'000</b>
	<i>Notes</i>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>REVENUE</b>	4	<b>33,142</b>	78,696
Cost of sales		<u>(28,342)</u>	<u>(62,962)</u>
Gross profit		<b>4,800</b>	15,734
Other income and gains and losses	5	<b>12,634</b>	(4,498)
Selling and distribution costs		<b>(3,367)</b>	(1,652)
Administrative expenses		<b>(6,129)</b>	(8,333)
Other expenses		<b>(107,844)</b>	(294,155)
Changes in fair value of investment properties	11	<b>–</b>	(9,182)
Finance costs	6	<u><b>(47,755)</b></u>	<u>(35,307)</u>
<b>LOSS BEFORE INCOME TAX</b>	6	<b>(147,661)</b>	(337,393)
Income tax expenses	7	<u><b>–</b></u>	<u>(5,416)</u>
<b>LOSS FOR THE PERIOD</b>		<u><b>(147,661)</b></u>	<u>(342,809)</u>
Other comprehensive expense item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operation		<u><b>51</b></u>	<u>–</u>
Total comprehensive expense for the period		<u><b>(147,610)</b></u>	<u>(342,809)</u>
<b>LOSS FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>(136,804)</b>	(334,879)
Non-controlling interests		<u><b>(10,857)</b></u>	<u>(7,930)</u>
		<u><b>(147,661)</b></u>	<u>(342,809)</u>

		For the six months ended 30 June	
		2025	2024
		<i>RMB'000</i>	<i>RMB'000</i>
<i>Notes</i>		(Unaudited)	(Unaudited)
Total comprehensive expense for the period attributable to:			
	Owners of the Company	(136,753)	(334,879)
	Non-controlling interests	<u>(10,857)</u>	<u>(7,930)</u>
		<u><b>(147,610)</b></u>	<u><b>(342,809)</b></u>
			(Restated)
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
	Basic ( <i>RMB</i> )	<u><b>(0.728)</b></u>	<u><b>(1.783)</b></u>
	Diluted ( <i>RMB</i> )	<u><b>(0.728)</b></u>	<u><b>(1.783)</b></u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
	Notes		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		667	668
Investment properties	11	905,930	905,930
Deferred tax assets		227,863	227,863
		<u>1,134,460</u>	<u>1,134,461</u>
<b>CURRENT ASSETS</b>			
Properties under development		399,921	402,000
Completed properties held for sale		540,590	557,470
Trade receivables	12	3,684	3,201
Prepayments, other receivables and other assets		44,429	45,505
Restricted deposits		164	1,412
Cash and cash equivalents		1,372	662
		<u>990,160</u>	<u>1,010,250</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	13	448,826	459,566
Other payables and accruals		2,649,474	2,487,619
Contract liabilities		155,711	171,213
Interest-bearing bank and other borrowings	14	1,212,604	1,212,708
Tax payable		905,002	905,002
Convertible bonds	15	274,135	282,125
		<u>5,645,752</u>	<u>5,518,233</u>
<b>NET CURRENT LIABILITIES</b>		<u>(4,655,592)</u>	<u>(4,507,983)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(3,521,132)</u>	<u>(3,373,522)</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		175,742	175,742
<b>NET LIABILITIES</b>		<u>(3,696,874)</u>	<u>(3,549,264)</u>

	At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
<b>EQUITY</b>		
Issued capital	14,880	14,880
Reserves	<u>(3,396,099)</u>	<u>(3,259,346)</u>
	(3,381,219)	(3,244,466)
Non-controlling interests	<u>(315,655)</u>	<u>(304,798)</u>
<b>TOTAL DEFICITS</b>	<u><b>(3,696,874)</b></u>	<u><b>(3,549,264)</b></u>

# 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. In the opinion of the directors of the Company, the ultimate holding company is Xinxing Company Limited and the ultimate controlling shareholder is Mr. Chen Chengshou (the “**Controlling Shareholder**”). 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 2025 (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 2024, 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 2024 (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 RMB147,661,000 for the six months ended 30 June 2025. At 30 June 2025, the Group's current liabilities exceeded its current assets by approximately RMB4,655,592,000.

At 30 June 2025, borrowings with total principal amount of approximately RMB1,212,604,000 and convertible bonds amounting to approximately RMB274,135,000 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 this regard, the management of the Company have 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. 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 at the date of announcement, the Company has completed a rights issue on the basis of four rights Shares for every one adjusted Share pursuant to an ordinary resolution passed by the Shareholders at the extraordinary general meeting of the Company held on 13 March 2025. Subject to completion of the rights issue, gross proceeds of up to approximately HK\$84.2 million will be generated from the rights issue and net proceeds are estimated to be approximately HK\$78.3 million, which is intended to be applied in the following manner: (i) approximately 92% (being approximately HK\$72.0 million) for settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings and other payables and accruals of the Group; and (ii) approximately 8% (being approximately HK\$6.3 million) as general working capital of the Group, including but not limited to its daily operational expenses of the Group for the forthcoming six months upon completion of the rights issue. For details, please refer to the prospectus of the Company dated 23 June 2025.
- (iii) accelerating the pre-sale and sale of properties under development and completed properties, such as Shandong Project and controlling costs and containing capital expenditure so as to generate adequate net cash inflows for the Group. As at the date of this announcement, the construction of Block 9 and 16 of phase 4 of the Shandong Project is ongoing as planned and expected delivery date of the said blocks is September 2025.
- (iv) actively procuring and formulating the preliminary terms with large property developer to sell individual property development project or whole commercial property at an appropriate price. The Management is still identifying and negotiating terms with new investors to participate in investing Shanghai and Taizhou's renovation works in order to increase its underlying value and to accelerate the sale of commercial properties more rapidly and effectively. 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 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

### ***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*

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 2025**

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

For the six months ended 30 June 2024

	Property development <i>RMB'000</i>	Property leasing <i>RMB'000</i>	Others <i>RMB'000</i>	Consolidated <i>RMB'000</i>
<b>Segment revenue</b>				
Sales to external customers	<u>78,255</u>	<u>441</u>	<u>–</u>	<u>78,696</u>
<b>Segment results</b>	<u>(281,685)</u>	<u>(23,574)</u>	<u>(32,134)</u>	<u>(337,393)</u>
Loss before income tax				<u>(337,393)</u>
<b>Other segment information</b>				
Bank interest income	1	18	2	21
Changes in fair value of investment properties (loss)	–	(9,182)	–	(9,182)
Depreciation of property, plant and equipment	21	1	1	23
Finance costs	23,538	–	11,769	35,307
Interest penalties	144,945	–	52,476	197,421
Impairment of completed properties held for sale	18,100	–	–	18,100
Impairment of properties under development	<u>71,321</u>	<u>–</u>	<u>–</u>	<u>71,321</u>

#### 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

None of the customers individually contributed 10% or more of the Group's revenue for the six months ended 30 June 2025 and 2024.

#### 4. REVENUE

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Revenue from contracts with customers within IFRS 15</b>		
Sales of properties	32,600	78,255
<b>Revenue from other sources</b>		
Gross rental income from investment properties operating leases		
– other lease payments, including fixed payments	542	441
	<u>33,142</u>	<u>78,696</u>

##### (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	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Geographical region:		
– The PRC	32,600	78,255
Timing of revenue recognition:		
– at a point in time	32,600	78,255
Type of transaction price:		
– fixed price	32,600	78,255

##### (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	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Other income</b>		
Bank interest income	4	21
Government grants	–	5
Others	1,832	134
	<u>1,836</u>	<u>160</u>
<b>Gains and losses</b>		
Exchange gain/(losses), net	10,798	(4,658)
	<u>12,634</u>	<u>(4,498)</u>

## 6. LOSS BEFORE INCOME TAX

This is stated after charging (crediting):

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Finance costs</b>		
Interest on interest-bearing bank and other borrowings	47,755	39,528
Less: Interest capitalised	–	(4,221)
<b>Total finance costs</b>	<u>47,755</u>	<u>35,307</u>

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Staff costs (excluding directors' emoluments)</b>		
Salaries, allowances and benefits-in-kind	2,556	3,123
Contribution to defined contribution plans	618	561
	<u>3,174</u>	<u>3,684</u>
<b>Other items</b>		
Cost of properties sold	28,171	64,848
Cost of leasing properties	171	1,886
Depreciation of property, plant and equipment	1	23
Impairment of properties under development (included in "other expenses")	–	71,321
Impairment of completed properties held for sale ( <i>Note 10</i> )	–	18,100
Interest penalties (included in "other expenses")	106,908	197,421
Lease payments not included in the measurement of lease liabilities	–	168
	<u>–</u>	<u>168</u>

## 7. INCOME TAX

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Current tax</b>		
PRC Enterprise Income Tax	–	–
Land appreciation tax ("LAT")	–	5,902
	–	5,902
<b>Deferred tax</b>		
Origination and reversal of temporary differences	–	(486)
<b>Total income tax charge for the period</b>	<u>–</u>	<u>5,416</u>

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 2025 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 2025 (six months ended 30 June 2024: nil).

## **9. LOSS PER SHARE**

For the six months ended 30 June 2025, the calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company amounting approximately RMB136,804,000 (30 June 2024: RMB334,879,000), and the weighted average number of ordinary shares of 187,862,000 (30 June 2024 (restated): 187,862,000) 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 2025 and 2024.

## **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: RMB18,100,000) was recognised in profit or loss during the six months ended 30 June 2025.

## 11. INVESTMENT PROPERTIES

RMB'000

At 1 January 2025 (audited) and 30 June 2025 (unaudited)	905,930
--	---------

The Group's investment properties consist of commercial properties completed in the PRC. The Group's investment properties were revalued on 30 June 2025 based on valuations performed by the director of the Company at approximately RMB905,930,000 (31 December 2024: RMB905,930,000).

At 30 June 2025, the Group's investment properties with aggregate values of RMB792,847,000 (31 December 2024: RMB792,847,000) were pledged to secure interest-bearing bank and other borrowings granted to the Group (note 14).

## 12. TRADE RECEIVABLES

	At 30 June 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Trade receivables	11,957	11,474
Less: Allowance for impairment	(8,273)	(8,273)
	<u>3,684</u>	<u>3,201</u>

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 2025 RMB'000 (Unaudited)	At 31 December 2024 RMB'000 (Audited)
Within one year	<u>3,684</u>	<u>3,201</u>

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 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Past due		
Within 1 year	<u>3,684</u>	<u>3,201</u>

### 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 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
Less than one year	–	16,842
Over one year	<u>448,826</u>	<u>442,724</u>
	<u>448,826</u>	<u>459,566</u>

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

### 14. INTEREST-BEARING BANK AND OTHER BORROWINGS

At 30 June 2025			At 31 December 2024		
	Effective interest rate %	Maturity		Effective interest rate %	Maturity
		<i>RMB'000</i> (Unaudited)			<i>RMB'000</i> (Audited)
<b>Current</b>					
Current portion of long term bank and other borrowings	3.00–15.60	On demand or within one year <u>1,212,604</u>		3.00–15.60	On demand or within one year <u>1,212,708</u>
				At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
<b>Analysed into:</b>					
Bank and other borrowings repayable on demand or within one year		<u>1,212,604</u>		<u>1,212,604</u>	<u>1,212,708</u>



At 30 June 2025, the Group's borrowings amounting approximately RMB1,212,604,000 (2024: RMB1,212,708,000) 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 RMB1,099,594,000 (2024: RMB1,028,095,000) which were included in the other payables and accruals at 30 June 2025.

The Group's borrowings are secured by the pledges of the following assets as at 30 June 2025 and 31 December 2024 as follows:

- (i) At 30 June 2025, the Group's borrowings of approximately RMB216,847,000 (2024: 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 2025, the Group's borrowings of approximately RMB879,877,000 (2024: RMB879,877,000) were secured by the Group's investment properties with aggregate carrying values of approximately RMB792,847,000 (2024: RMB792,847,000).

- (ii) At 30 June 2025, the Group's borrowings of approximately RMB216,847,000 (2024: RMB216,847,000) were jointly guaranteed by (i) the Controlling Shareholder, Mr. Chen Chengshou, (ii) the 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 2025, the Group's borrowings of approximately RMB532,152,000 (2024: RMB532,152,000) were jointly guaranteed by (i) the Controlling Shareholders, Mr. Chen Chengshou, (ii) the non-executive director, Ms. Gao Qiaoqin, and (iii) a subsidiary of the Company.

At 30 June 2025, the Group's borrowings of approximately RMB460,000,000 (2024: RMB460,000,000) were jointly guaranteed by (i) the Controlling Shareholders, 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 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 2025.

\* 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.

	<i>RMB'000</i>
At 1 January 2025 (audited)	282,125
Exchange difference	(7,990)
	<hr/>
At 30 June 2025 (unaudited)	274,135
	<hr/> <hr/>

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 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)	At 30 June 2025 <i>RMB'000</i> (Unaudited)	At 31 December 2024 <i>RMB'000</i> (Audited)
<b>Financial liabilities</b>				
Convertible bonds	<b>274,135</b>	282,125	<b>274,135</b>	282,125
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Convertible bonds</b>				
At 30 June 2025 (Unaudited)	–	–	274,135	274,135
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2024 (Audited)	–	–	282,125	282,125
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**At 30 June 2025 and 31 December 2024**

<b>Liability</b>	<b>Fair value hierarchy</b>	<b>Valuation technique</b>	<b>Unobservable input</b>	<b>Relationship of unobservable inputs to fair value</b>
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 2025, 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:

	<b>Convertible bonds</b> <i>RMB'000</i>
At 1 January 2025 (audited)	282,125
Exchange difference	(7,990)
	<hr/>
<b>At 30 June 2025 (unaudited)</b>	<b>274,135</b>
	<hr/> <hr/>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

(Including financial review)

### **BUSINESS AND FINANCIAL OVERVIEW**

During the Period, the Group recorded a total revenue of approximately RMB33.1 million, representing a decrease of approximately 57.9% from approximately RMB78.7 million of the same period of last year. The sales revenue and GFA of delivered properties were approximately RMB32.6 million and approximately 3,647.38 sq.m., respectively, representing a decrease of approximately 58.4% and 78.2%, respectively, as compared to the corresponding period of last year. The average selling price for the contracted commercial property sales was approximately RMB8,937.9 per sq.m., representing an increase of approximately 91% compared with approximately RMB4,628 per sq.m. for the corresponding period of last year due to sale of commercial properties.

During the Period, the sales of Shandong Phase 4 residential project for Block 9 and 16 for the amount of RMB23 million was not recognised in sales revenue due to the register of properties transfer will be completed by end of September 2025.

Loss attributable to the owners of the Company for the Period amounted to approximately RMB136.8 million, representing a decrease of 59.2% from a loss of approximately RMB334.9 million for the corresponding period of last year. The decrease in loss was mainly due to impairment of properties under development and liquidated damages on borrowings were decreased as compared to the corresponding period of last year.

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025.

As at 30 June 2025, the Group's total assets amounted to approximately RMB2,124.6 million (31 December 2024: approximately RMB2,144.7 million). Total liabilities was approximately RMB5,821.5 million (31 December 2024: approximately RMB5,694.0 million), total deficits was approximately RMB3,696.9 million (31 December 2024: total deficits of approximately RMB3,549.3 million).

## Sales

During the Period, the Group recorded a total revenue of approximately RMB33.1 million, representing an approximate of RMB45.6 million or an approximate 57.9% decrease from approximately RMB78.7 million for the corresponding period of last year. During the Period, property sales revenue was approximately RMB32.6 million, representing approximately 98.4% of its total revenue. Total GFA sold was approximately 8,937.9 sq.m., representing a decrease of approximately 78.2% as compared to the same period of last year, which was mainly due to the sales of phase 4 of the Shandong Project not yet recognised as revenue during the Period.

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

	For the six months ended 30 June			
	2025		2024	
	(RMB million) (Unaudited)	(%)	(RMB million) (Unaudited)	(%)
Sales of properties	32.6	98.4	78.3	99.4
Rental income	0.5	1.6	0.4	0.6
Total revenue	<u>33.1</u>	<u>100</u>	<u>78.7</u>	<u>100</u>

### Property sales

During the Period, the Group recorded property sales revenue of approximately RMB32.6 million, representing a decrease of approximately RMB45.7 million or 58.3% from approximately RMB78.3 million for the same period of last year. This was mainly due to the decrease in sales of phase 4 of the Shandong Project not yet recognised as revenue during the Period. The GFA delivered of the property sales during the Period decreased from approximately 34,870 sq.m. for the same period of last year to approximately 16,727 sq.m..

### Property leasing

The Group carries out property leasing business through leasing its commercial properties held for investment. As of 30 June 2025, the actual area leased out of the Group's investment properties held-for-lease and the sold commercial properties leased back from third parties purchasers was approximately 10,073.31 sq.m., representing approximately 16.2% of the total investment properties held-for-lease and the sold commercial properties leased back from third parties purchasers.

During the Period, rental income amounted to approximately RMB0.5 million, representing an increase of approximately RMB0.1 million or 22.9% from approximately RMB0.4 million for the same period of last year, the minimal rental income recorded was mainly due to the slight increase of rental income during the Period.

## Gross profit

During the Period, gross profit amounted to approximately RMB4.8 million, representing a decrease of approximately RMB10.9 million or approximately 69.4% compared to RMB15.7 million for the same period of last year. Gross profit margin was approximately 14.5%, representing a decrease of 5.5% as compared to approximately 20.0% 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 2025.

## Other income and gains and losses

During the Period, other income and gains and losses amounted to gain of approximately RMB12.6 million mainly derived from exchange gains during the Period as compared to a loss of approximately RMB4.5 million derived from exchange losses in the same period of last year.

## Selling and administrative expenses

During the Period, selling and administrative expenses amounted to approximately RMB9.5 million, representing a decrease of approximately RMB0.5 million or approximately 4.9% compared to approximately RMB10.0 million for the same period last year. Selling and distribution expenses increased by approximately RMB1.7 million, mainly due to the increase of merchandising activities of commercial projects. Administrative expense is decreased by approximately RMB2.2 million, mainly due to the effective management of labor and office cost.

## Other expenses

During the Period, other expenses amounted to approximately RMB107.8 million, representing a decrease of approximately RMB186.3 million or approximately 63.3% as compared to approximately RMB294.2 million for the same period of last year. During the Period, the liquidated damages on borrowings amounted to approximately RMB106.9 million. Breakdown of other expenses is set out below:

	<b>For the six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB million</b>	<b>RMB million</b>
Liquidated damages on borrowings	<b>106.9</b>	197.4
Impairment of properties under development	—	71.3
Impairment of completed properties held for sale	—	18.1
Lease payments not included in the measurement of lease liabilities	—	0.2
Others	<b>0.9</b>	7.2
	<hr/>	<hr/>
Total	<b>107.8</b>	294.2
	<hr/>	<hr/>

## **Operating loss**

During the Period, the operating loss was approximately RMB147.7 million, representing a decrease of approximately RMB189.7 million or approximately 56.2% compared to the loss of approximately RMB337.4 million for the same period of last year, mainly due to the decrease of other expenses during the Period.

## **Changes in fair value of investment properties**

During the Period, there was no changes in fair value of investment properties as compared to a loss of approximately RMB9.2 million for the same period of last year.

## **Finance costs**

During the Period, finance costs amounted to approximately RMB47.8 million, representing an increase of approximately RMB12.4 million or approximately 35.3% compared to approximately RMB35.3 million for the same period of last year.

## **Income tax expenses**

During the Period, no income tax expenses was recorded as compared to the income tax expenses of approximately RMB5.4 million derived from land appreciation tax for the same period last year.

## **Loss attributable to owners of the Company**

During the Period, the loss attributable to owners of the Company amounted to approximately RMB136.8 million, representing a decrease in loss of approximately RMB198.1 million or approximately 59.1% compared to the loss of approximately RMB334.9 million for the corresponding period of last year. The basic loss per share decreased from loss per share of approximately RMB1.783 for the same period of last year to loss per share of approximately RMB0.728 during the Period.

## Business performance

The table below sets forth a summary of our property sales projects of the Group during the Period:

Property Project	Location	Project Type	GFA sold (sq.m.)	Income (RMB million)	Average selling price (RMB/sq.m.)
Xingmeng International Commercial City	Tengzhou City, Shandong Province	Commercial	3,647.38	32.6	8,938
			=====	=====	=====

## Land reserve

As at 30 June 2025, the Group's property portfolio included 5 property development projects in cities throughout China. These were at different stages of development, with total GFA amounting to approximately 375,300 sq.m., of which approximately 274,300 sq.m. were completed. Approximately 22,000 sq.m. were still under development, and approximately 79,000 sq.m. were being held for future development.

Since the publication of the Group's annual report for the year ended 31 December 2024, 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 2025, the Group's cash and bank deposits, including restricted cash, were a total of approximately RMB1.5 million (31 December 2024: approximately RMB2.1 million).

## Trade receivables, prepayments, other receivables and other assets

As at 30 June 2025, the sum of trade receivables, prepayments, other receivables and other assets of the Group was approximately RMB48.1 million, representing a decrease of approximately RMB0.6 million or approximately 1.2% as compared to approximately RMB48.7 million as at 31 December 2024.

## Trade payables, contract liabilities, other payables and accruals

As at 30 June 2025, the sum of trade payables, contract liabilities, other payables and accruals of the Group was approximately RMB3,254.0 million, representing an increase of approximately RMB135.6 million or approximately 4.3% as compared to approximately RMB3,118.4 million as at 31 December 2024 due to the relevant interest penalty and penalty provision for loan default amount charged.



## **Assets and liabilities**

As at 30 June 2025, the Group's total assets was approximately RMB2,124.6 million, representing a decrease of approximately RMB20.1 million or approximately 0.9% as compared to approximately RMB2,144.7 million as at 31 December 2024. Total current assets was approximately RMB990.2 million, representing a decrease of approximately RMB20.1 million or approximately 2.0% from approximately RMB1,010.3 million as at 31 December 2024 and accounting for approximately 46.6% of total assets (31 December 2024: 47.1%). Total non-current assets was approximately RMB1,134.5 million, no material change from approximately RMB1,134.5 million as at 31 December 2024 and accounting for approximately 53.4% of total assets (31 December 2024: 52.9%).

As at 30 June 2025, the Group's total liabilities was approximately RMB5,645.8 million, representing an increase of approximately RMB127.5 million or approximately 2.3% compared to approximately RMB5,694.0 million as at 31 December 2024. Total current liabilities was approximately RMB5,645.8 million, representing an increase of approximately RMB127.5 million or approximately 2.3% compared to approximately RMB5,518.2 million as at 31 December 2024 and accounting for approximately 97.0% of total liabilities (31 December 2024: 96.9%). Total non-current liabilities was approximately RMB175.7 million, no material change from approximately RMB175.7 million as at 31 December 2024 and accounting for approximately 3.0% of total liabilities (31 December 2024: approximately 3.1%).

As at 30 June 2025, the Group had net current liabilities of approximately RMB4,655.6 million, representing an increase of approximately RMB147.6 million or approximately 3.3% from approximately RMB4,508.0 million as at 31 December 2024.

## **Current ratio**

As at 30 June 2025, the current ratio of the Group, being the ratio of the current assets divided by the current liabilities, was 0.18:1 (31 December 2024: 0.18:1).

## **Gearing ratio**

As at 30 June 2025, the gearing ratio of the Group was (67.1)% (31 December 2024: (72.7)%) 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.

On 16 January 2025, the Company was informed by Chance Talent Management Limited that on 15 January 2025, Advance Day Holdings Limited and Chance Talent Management Limited (together, the “**CB Sellers**”) transferred the convertible bonds, free from all encumbrances, together with all rights and entitlements attaching to them, to the CB Purchaser, Motivational Mathematics Limited, at the total consideration of HK\$31.5 million. For details, please refer to the Company’s announcements dated 16 January 2025 and 21 January 2025 respectively.

The principal amount of approximately RMB274.1 million (equivalent to HK\$300 million) and interests have not been settled 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 2025 were approximately RMB1,212.6 million (31 December 2024: RMB1,212.7 million).

## **Borrowings**

As at 30 June 2025, the Group’s total interest-bearing bank and other borrowings were approximately RMB1,212.6 million, decreased slightly by approximately RMB0.1 million from approximately RMB1,212.7 million as at 31 December 2023.

The Group’s interest-bearing bank and other borrowings repayable on demand or within one year were approximately RMB1,212.6 million, decreased slightly by approximately RMB0.1 million from approximately RMB1,212.7 million as at 31 December 2024. Details of the borrowings are set out in note 14 to the condensed consolidated financial statements.

## **SIGNIFICANT EVENTS**

### **(I) Amendment to the Articles of Association**

On 14 April 2025, the Company held an annual general meeting for the year 2022 and 2023 to consider and approve, among other things, the resolution to amend the Articles of Association.

The above amendments came into effect on 14 April 2025, the date on which the relevant resolution was duly passed by the Shareholders.

For the above-mentioned amendments to the Articles of Association, please refer to the circular dated 21 March 2025 published by the Company on the Stock Exchange’s HKEX news website.

## **(II) Capital re-organisation and rights issue**

On 13 March 2025, the Company held an extraordinary general meeting to consider and approve, among other things, the resolutions in relation to the capital re-organisation and rights issue.

The capital re-organisation came into effect on 23 May 2025 and the rights issue was completed on 29 July 2025.

For details of above-mentioned, please refer to the circular dated 25 February 2025 and the announcement dated 6 December 2024 published by the Company on the Stock Exchange's HKEX news website.

### **Disclaimer of opinion of 2024 annual report**

As at 30 June 2025, interest-bearing bank and other borrowings of approximately RMB1,212.6 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 2024 annual report dated 30 April 2025. 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 2025, interest-bearing bank and other borrowings amounted to approximately RMB1,212.6 million. As of the date of this announcement, there is no material court proceedings relating to the outstanding borrowings of the Group.

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 announced by the Company on 6 December 2024, the Company proposed, among other things, to raise up to approximately HK\$84.2 million before expenses by way of a rights issue (the “**Rights Issue**”) of 75,144,880 rights shares (the “**Rights Shares**”) at a subscription price of HK\$1.12 per Rights Share on the basis of four Rights Shares for every one adjusted 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 13 March 2025 and dealings in the Rights Shares commenced on 31 July 2025. The gross proceeds raised from the Rights Issue were approximately HK\$84.2 million and the net proceeds (after deducting the related expenses) from the Rights Issue were approximately HK\$78.9 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 92% (being approximately HK\$72.6 million) for settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings and other payables and accruals of the Group; and (ii) approximately 8% (being approximately HK\$6.3 million) as general working capital of the Group, including but not limited to its daily operational expenses of the Group for the forthcoming six months upon completion of the Rights Issue.

- (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.

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 2025, the Group provided guarantees for the mortgage loans given by certain purchasers of approximately RMB27.9 million (31 December 2024: approximately RMB28.0 million).

### **Asset guarantees**

As at 30 June 2025, the Group had pledged or restricted bank deposits of approximately RMB0.2 million (31 December 2024: approximately RMB1.4 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 2024: approximately RMB0 million).

## **Capital commitments**

As at 30 June 2025, capital commitments related to activities of properties under development were approximately RMB24.5 million (31 December 2024: approximately RMB24.5 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 2025, the Group has a total of 40 employees (as at 30 June 2024: a total of 42 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.

## **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 announced by the Company on 6 December 2024, the Company proposed, among other things, to raise up to approximately HK\$84.2 million before expenses by way of the Rights Issue of 75,144,880 Rights Shares at a subscription price of HK\$1.12 per Rights Share on the basis of four Rights Shares for every one adjusted 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 13 March 2025 and dealings in the Rights Shares commenced on 31 July 2025.

The gross proceeds raised from the Rights Issue were approximately HK\$84.2 million and the net proceeds (after deducting the related expenses) from the Rights Issue were approximately HK\$78.9 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 92% (being approximately HK\$72.6 million) for settlement of convertible bonds, repayment of interest-bearing bank loans and other borrowings and other payables and accruals of the Group; and (ii) approximately 8% (being approximately HK\$6.3 million) as general working capital of the Group, including but not limited to its daily operational expenses of the Group for the forthcoming six months upon completion of the Rights Issue.

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](http://www.xinm.com.cn)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2025 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**  
**Chen Chengshou**  
*Chairman, Executive Director and  
Chief Executive Officer*

Hangzhou, the PRC

29 August 2025

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

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