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XIWANG PROPERTY HOLDINGS COMPANY LIMITED

西王置業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2088)

**INSIDE INFORMATION
APPOINTMENT OF RECEIVERS IN RESPECT OF
THE SHARES OF THE COMPANY; AND
ANNOUNCEMENT PURSUANT TO RULE 3.7 OF
THE TAKEOVERS CODE**

This announcement is made by Xiwang Property Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 3.7 of The Codes on Takeovers and Mergers and Share Buy-backs (the “**Takeover Code**”).

On 4 August 2023, the board (the “**Board**”) of directors (the “**Directors**”) of the Company received a letter from RSM Corporate Advisory (Hong Kong) Limited (“**RSM**”) regarding the appointment of Mr. Lai Wing Lun (黎穎麟) and Mr. Osman Mohammed Arab (馬德民) (the “**Receivers**”) of RSM on 2 August 2023 as the joint and several receivers (the “**Receivership**”) of 982,999,588 ordinary shares and 506,244,669 convertible preference shares (the “**Charged Shares**”) held by Xiwang Investment Company Limited (in liquidation) (“**Xiwang Investment**”). As at the date of the announcement, Xiwang Investment is the controlling shareholder (as defined under the Listing Rules) of the Company and a wholly-owned subsidiary of Xiwang Holdings Limited.

Based on the information currently available to the Company, two Subscription Agreements dated 28 September 2017 and 9 February 2018 (the “**Subscription Agreements**”) were entered between Xiwang Special Steel Company Limited (“**Xiwang Special Steel**”) and Zhongtai Financial Investment Limited (the “**Original Noteholder**”) whereas two Listco Share Charges dated 29 September 2017 and 9 February 2018 and two Preference Share Charges dated 29 September 2017 and 9 February 2018 were entered into by Xiwang Investment as chargor in favour of the Original Noteholder as chargee (the “**Deeds of Charge**”). Subsequently, pursuant to two Deeds of Assignment dated 20 December 2017 and 26 October 2018, the Original Noteholder assigned its right, claims and causes of action under the Subscription Agreements, the said notes, the Deeds of Charge and other relevant documents to Qilu International Funds SPC (“**Qilu**”) for the account and on behalf of Zhongtai Dingfeng Classified Fund SP (the “**Chargee**”). The Receivers were appointed by Qilu on behalf of the Chargee based on an event of default by Xiwang Special Steel under the Subscription Agreements.

Given the Charged Shares under the Receivership represent approximately 69.78% of the total number of ordinary shares and 99.75% of the total number of convertible preference shares of the Company as at the date of this announcement, the Receivership may trigger a mandatory general offer under the Takeovers Code should any purchaser(s) and parties acting in concert with it acquire 30% or more of the voting rights of the Company. As at the date of this announcement, to the best knowledge and belief of the Directors no formal agreement regarding the sale and purchase of the Charged Shares has been entered into between the Receivers and any third-party purchasers.

SECURITIES OF THE COMPANY

As at the date of this announcement, the relevant securities of the Company comprise 1,408,784,198 ordinary shares and 507,492,257 convertible preference shares of the Company. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

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).

DEALING DISCLOSURE

For the purposes of the Takeovers Code, the offer period commences from the date of this announcement, being 4 August 2023. In accordance with Rule 3.8 of the Takeovers Code, respective associates of the Company (as defined in the Takeovers Code, including among others, shareholders of the Company having interests of 5% or more in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) and any potential purchaser of the Charged Shares are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

The Company will continuously assess the legal, financial and operational impacts of the Receivership over the Group. Further announcement(s) will be issued by the Company as and when necessary if there are any material development(s) in relation to the Receivership.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

Warnings: There is no assurance that the Receivership will result in a change of control and lead to a general offer under Rule 26.1 of Takeovers Code. Shareholders and potential investors of the Company should exercise 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
Xiwang Property Holdings Company Limited
WANG YONG
Chairman

Hong Kong, 4 August 2023

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Mr. WANG Jin Tao
Mr. WANG Wei Min

Non-executive Directors:

Mr. WANG Yong
Mr. SUN Xihu

Independent non-executive Directors:

Mr. WONG Kai Hing
Mr. WANG An
Ms. LI Shaorui

* *For identification purpose only*