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DIWANG INDUSTRIAL HOLDINGS LIMITED

帝王實業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1950)

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF PROPERTIES AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

PROPERTY TRANSFER AGREEMENT

The Board is pleased to announce that on 9 October 2023 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Property Transfer Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to transfer all rights and risks of the Properties (including the rights to apply for the relevant certificates of ownership in respect of the Properties) to the Purchaser at a consideration of RMB30 million.

LISTING RULES IMPLICATIONS

Connected transaction

The Vendor is wholly-owned by Mr. Chen Hua, an executive Director. Therefore, the Vendor is an associate of Mr. Chen Hua and accordingly, a connected person of the Company pursuant to Rule 14A.07(4) of the Listing Rules. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the Acquisition is more than 5% and the Consideration exceeds HK\$10,000,000, the entering into of the Property Transfer Agreement and the transactions contemplated thereunder is therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Discloseable transaction

As the highest of all the applicable percentage ratios as set out in the Listing Rules in respect of the Acquisition exceeds 5% but less than 25%, the entering into of the Property Transfer Agreement and the transactions contemplated thereunder also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to make recommendation to the Independent Shareholders and the Independent Board Committee which comprises all independent non-executive Directors, namely Mr. Au Hei Ching, Mr. Lee Cheung Yuet Horace, Mr. Zheng Yu and Ms. Zhou Xiaochun, as to whether the Acquisition is fair and reasonable and to advise the Independent Shareholders on how to vote on the proposed resolutions in respect thereof at the EGM, and such appointment has been approved by the Independent Board Committee.

GENERAL

Mr. Chen Hua, an executive Director, had abstained from voting on the relevant Board resolutions approving the entering into of the Property Transfer Agreement and the Acquisition. Save as disclosed above, none of the Directors has or is deemed to have a material interest in the Property Transfer Agreement and the Acquisition and is required to abstain from voting on the relevant Board resolutions.

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, passing the ordinary resolution to approve the Property Transfer Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Mr. Chen Hua, an executive Director, indirectly holds 3,600,400 Shares, representing approximately 0.50% of the total issued share capital of the Company, through Sunlight Global Investment Limited (a corporation owned as to 61.20% by Mr. Chen Hua) and Ms. Liu Jing, the spouse of Mr. Chen Hua, indirectly holds 2,400,400 Shares, representing approximately 0.33% of the total issued share capital of the Company, through Lilian Global Investment Limited (a corporation wholly-owned by Ms. Liu Jing). As Mr. Chen Hua has a material interest in the Property Transfer Agreement, each of Mr. Chen Hua, Ms. Liu Jing, Sunlight Global Investment Limited, Lilian Global Investment Limited and their respective associates are required to abstain from voting on the resolutions approving the Property Transfer Agreement and the transactions contemplated thereunder at the EGM. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, no other Shareholder is required to abstain from voting with respect to the resolutions approving the Property Transfer Agreement and the transactions contemplated thereunder at the EGM.

A circular including, among other information, (i) further information of the Property Transfer Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a valuation report of the Properties; and (v) a notice of the EGM with proxy form, is expected to be despatched to the Shareholders on or before 31 October 2023 in accordance with the requirement under the Listing Rules.

Shareholders and potential investors of the Company should be aware that as the Completion is subject to the satisfaction of the conditions precedent set out in the Property Transfer Agreement, therefore the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

BACKGROUND OF THE ACQUISITION

On 23 December 2013, the Purchaser entered into the Original Property Transfer Agreement with the Then Landlord (who is an Independent Third Party) to purchase the Properties at a consideration of approximately RMB25.4 million for the Purchaser's office, research and development use. The Properties were handed over to the Purchaser for its use since May 2014 and the relevant certificates of ownership of the Properties were contracted to be transferred to the Purchaser by 30 May 2019 in accordance with the terms of the Original Property Transfer Agreement. As advised by the Company's PRC legal adviser, since the completion inspection filing of the Properties had been obtained, the Group has the rights to lawfully use and occupy the Properties.

However, the Then Landlord subsequently went into bankruptcy proceedings and was under the control of the bankruptcy administrator for the purpose of its bankruptcy restructuring. As part of the framework of the draft restructuring proposal of the Then Landlord put forward by the bankruptcy administrator and approved by the creditors, the local court had approved the transfer of the assets possessed by the Then Landlord (including the Properties) to the Landlord Legal Restructuring Parties in November 2016 and therefore, the Purchaser was not able to obtain the relevant certificate of ownership of the Properties at that time.

Having considered that the completion of the restructuring proposal of the Landlord Legal Restructuring Parties might last for several years and with a view to mitigating the uncertainty as to the title of the Properties, on 20 March 2018, the Group entered into a transfer agreement (subsequently being supplemented and amended) with Hangzhou Qiyue to transfer the relevant rights and risks of the Properties to Hangzhou Qiyue at a consideration of RMB30 million and lease back the Leased Properties from Hangzhou Qiyue for the Group's office, research and development use (details were disclosed in the prospectus of the Company dated 27 February 2020 in relation to the listing of the Shares on the Mainboard of the Stock Exchange). The existing lease agreement with Hangzhou Qiyue in respect of the Leased Properties will expire on 31 December 2023.

As at the date of this announcement, the aforementioned restructuring proposal of the Landlord Legal Restructuring Parties has been completed and the relevant certificates of ownership of the Properties were issued in the name of Zijin Zhunqian, who is a member of the Landlord Legal Restructuring Parties.

To seek clarification on the issues in relation to the title of the Properties, the Group appointed a PRC legal adviser to engage in the negotiations with Zijin Zhunqian. The Group was given to understand that Zijin Zhunqian had confirmed that the Purchaser has the legal rights to use and lease the Properties and has given its consent to cooperate with the application of the transfer of certificates of ownership of the Properties from its name. Furthermore, the Company's PRC legal adviser has also expressed its view that upon completion of the Property Transfer Agreement, there is no legal impediment for the Purchaser to obtain relevant certificates of ownership of the Properties from the PRC Government.

THE ACQUISITION

The Board is pleased to announce that on 9 October 2023 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Property Transfer Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to transfer all rights and risks of the Properties (including the rights to apply for the relevant certificates of ownership in respect of the Properties) to the Purchaser at a consideration of RMB30 million.

The principal terms and conditions of the Property Transfer Agreement are set out as follows:

- | | |
|-----------------|--|
| Date | 9 October 2023 (after trading hours of the Stock Exchange) |
| Parties: | (1) Zhejiang Sunlight Material Technology Co., Ltd.* (浙江深藍新材料科技有限公司) as the Purchaser; and
(2) Hangzhou Qiyue Investment Management Co., Ltd.* (杭州啟越投資管理有限公司) as the Vendor |

Properties:

Unit nos. 1601, 1602, 1603 and 1604 on Level 16 and unit nos. 1701, 1702, 1703 and 1704 on Level 17, Block No. 1 (also known as “E1”) of Zhihui Zhongchuang Center, No. 3 Xiyuan 8th Road, ZJU Rainforest, Core Area of Zijin Innovation Town, Sandun Town, Xihu District, Hangzhou City, Zhejiang Province, the PRC (中國浙江省杭州市西湖區三墩鎮紫金眾創小鎮核心區浙大森林西園八路3號智匯眾創中心1號樓(又稱“E1樓”) 16層1601, 1602, 1603, 1604室及17層1701, 1702, 1703及1704室) with a total gross floor area of approximately 3,085 sq.m.

Consideration and payment terms:

The Consideration for the Acquisition is RMB30 million.

The Consideration shall be settled by the Purchaser to the Vendor in cash in following manners:

- RMB10 million, representing approximately 33.33% of the Consideration shall be payable by the Purchaser to the Vendor by 31 December 2023 or on the date of the Completion (whichever is later);
- RMB10 million, representing approximately 33.33% of the Consideration shall be payable by the Purchaser to the Vendor on or before 31 December 2024; and
- RMB10 million, representing approximately 33.34% of the Consideration shall be payable by the Purchaser to the Vendor on or before 31 December 2025.

The Consideration will be financed by the internal resources of the Group.

Basis of the Consideration:

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser on normal commercial terms and with reference to the indicative market value of the Properties of approximately RMB30,200,000 as at 31 August 2023 appraised by the Independent Valuer adopting market approach. In respect of the valuation of the Properties prepared by the Independent Valuer, the Company noted that the Independent Valuer did not assign commercial value to the Properties given that the Vendor has not obtained the certificates of ownership of the Properties. Due to the lack of the certificates of ownership, the Properties is not entitled to be transferred. However, the Independent Valuer has stated that, assuming the Vendor has obtained the relevant certificates of ownership of the Properties and is legally transferable in the market, the indicative market value of the Properties as at 31 August 2023 under market approach is RMB30,200,000.

In the light of (i) Zijin Zhunqian, the existing holder of the certificates of ownership of the Properties, has given its consent to cooperate with the application of the transfer of certificates of ownership of the Properties from its name; and (ii) the Company has obtained legal opinion from its PRC legal adviser advising, among other things, (a) the Properties is free from any mortgages, charges and legal encumbrances which may cause adverse effect on the ownership of the Properties; (b) upon completion of the transfer of the relevant rights and risks of the Properties to Hangzhou Qiyue from the Purchaser in April 2018, Hangzhou Qiyue is entitled to occupy, lease and sub-lease the Properties and is entitled to transfer all rights and risks of the Properties (including the rights to apply for the relevant certificates of ownership in respect of the Properties) in the market; and (c) upon completion of the Property Transfer Agreement, there is no legal impediment for the Purchaser to obtain relevant certificates of ownership of the Properties from the PRC Government, the Company is of the view that the aforementioned assumption applied by the Independent Valuer in arriving at the indicative market value of the Properties as at 31 August 2023 is achievable and that by referencing the indicative market value prepared by the Independent Valuer is a fair and reasonable basis in determining the Consideration in this regard. The Consideration is at a slight discount of approximately 0.66% compared with the aforementioned indicative market value of the Properties. The original acquisition cost of the Properties by the Vendor was RMB30 million.

Based on the above, the Directors (excluding Mr. Chen Hua who had abstained from voting at the Board meeting with respect to the resolutions approving the Property Transfer Agreement and the transactions contemplated thereunder due to his material interests in the Acquisition, the Property Transfer Agreement and the transactions contemplated thereunder and the independent non-executive Directors whose views will, after receiving the advice from the Independent Financial Adviser, be set out in the letter from the Independent Board Committee in the circular to be despatched to the Shareholders) consider that the Consideration is fair and reasonable in this regard.

Conditions precedent:

Completion is conditional upon:

- (i). the passing of the ordinary resolution(s) by the Independent Shareholders at the EGM to approve the Property Transfer Agreement and the transactions contemplated thereunder;
- (ii). the Purchaser having obtained legal opinions from the PRC legal adviser appointed by the Purchaser regarding the transactions contemplated under the Property Transfer Agreement, so that the Purchaser is convinced that there are no ownership defects and no encumbrances on the Properties, and the legality and validity of the transactions contemplated under the Property Transfer Agreement;
- (iii). the Purchaser having obtained a valuation report issued by the Independent Valuer (the form and content of which are satisfactory to the Purchaser), which states that the indicative market value of the Properties as at 31 August 2023 is not less than RMB30 million;
- (iv). all necessary governmental and regulatory approvals related to the transfer of Properties have been obtained (if applicable); and

- (v). with respect to the Properties, if the property ownership rights of which are to be transferred and where the transfer of the property ownership rights is registrable under the relevant local policies, the Vendor shall procure Zijin Zhunqian to prepare and sign all application materials required for the registration of transfer of the property ownership rights in the Properties such that the Purchaser could proceed to apply for the registration of transfer of the property ownership rights in the name of the Purchaser to the relevant authorities on its own accord.

None of the aforementioned conditions precedent can be waived. If the above conditions precedent are not fulfilled on or before the Long Stop Date, the Purchaser has the rights to terminate the Property Transfer Agreement in writing. In the event of termination, the Vendor shall refund to the Purchaser all payment already made by the Purchaser to the Vendor (if any) within three (3) Business Days from the date of the termination. Upon termination of the Property Transfer Agreement, all obligations and responsibilities of the non-defaulting party to the Property Transfer Agreement shall be released save for any antecedent breach and compensation of the defaulting party and the rights and remedies available to the non-defaulting party.

Completion:

Subject to fulfillment of the above conditions precedent, Completion shall take place on or before 29 December 2023 (or such later date as the parties to the Property Transfer Agreement may agree in writing).

INFORMATION ON THE PROPERTIES

The Properties are located at unit nos. 1601, 1602, 1603 and 1604 on Level 16 and unit nos. 1701, 1702, 1703 and 1704 on Level 17, Block No. 1 (also known as “E1”) of Zihui Zhongchuang Center, No. 3 Xiyuan 8th Road, ZJU Rainforest, Core Area of Zijin Innovation Town, Sandun Town, Xihu District, Hangzhou City, Zhejiang Province, the PRC (中國浙江省杭州市西湖區三墩鎮紫金眾創小鎮核心區浙大森林西園八路3號智匯眾創中心1號樓(又稱“E1樓”) 16層1601, 1602, 1603, 1604室及17層1701, 1702, 1703及1704室) with a gross floor area of approximately 3,085 sq.m.. As at the date of this announcement, Level 16 of the Properties has been leased out by the Vendor to the Purchaser for office and research use which will be expired on 31 December 2023 at a monthly rental of RMB112,500 (exclusive of management fees and utilities expenses), while Level 17 of the Properties is vacant.

INFORMATION ON THE GROUP AND THE PURCHASER

The Group is an established faux leather chemicals manufacturer in the PRC principally engaged in (i) the research and development, manufacturing and sale of coating agents and synthetic resins under its own brand; and (ii) the manufacturing and sale of Chinese baijiu products in the PRC.

The Purchaser is a company established under the laws of the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. The Purchaser is principally engaged in the manufacturing and sales of faux leather chemicals.

INFORMATION ON THE VENDOR

The Vendor is a company established under the laws of the PRC with limited liability and is principally engaged in the provision of investment management and consultation services in the PRC. As at the date of this announcement, the Vendor is wholly-owned by Mr. Chen Hua, who is an executive Director. Therefore, the Vendor is an associate of Mr. Chen Hua and accordingly, the Vendor is a connected person of the Company.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the section headed “BACKGROUND OF THE ACQUISITION” in this announcement, it is the original plan of the Group to acquire the Properties for office, research and development use. However, the transfer of the title of the Properties to the Purchaser was unfortunately being hindered due to the bankruptcy restructuring involving the Then Landlord.

Given that Level 16 of the Properties have long been the office and research center of the Group’s faux leather chemicals business, the Acquisition is in line with the long-term business strategies of the Group. Meanwhile, it would provide the Group with greater autonomy and stability over its business operations, which could eliminate business uncertainties associated with leasing the Properties. This would facilitate continuity and enable the Group to focus on the core business activities without the needs to consider relocation or re-negotiation of lease agreements.

Furthermore, the Acquisition is expected to be cost savings in the long run. While renting the Properties appears to be a short-term cost-effective solution, the cumulative expenses over time can be substantial. By acquiring the Properties, the Group can save future rental expenses and allocate those funds towards the Group’s faux leather chemicals business.

After the Acquisition, Level 16 of the Properties will continue to be used by the Purchaser for office and research use. In respect of intended use of Level 17 of the Properties, in September 2023, the Group has been approved for a productivity expansion project in relation to 50,000 tons polyurethane resin and 6,000 tons polyol per annum (年產5萬噸聚氨酯樹脂、0.6萬噸水性色漿擴產項目) and as such, the Group plans to develop Level 17 of the Properties for research and development center as well as show room for the aforementioned project. In addition, to cope with business expansion, it is necessary to also establish an office base in Hangzhou to facilitate visits and communication with clients, suppliers, and other business partners. Hangzhou, as a provincial capital city, is more advantageous than Jiande in terms of recruiting and retaining highly skilled personnel in technology and management.

Based on the above, the Directors (excluding Mr. Chen Hua who had abstained from voting at the Board meeting with respect to the resolutions approving the Property Transfer Agreement and the transactions contemplated thereunder due to his material interests in the Acquisition, the Property Transfer Agreement and the transactions contemplated thereunder and the independent non-executive Directors whose views will, after receiving the advice from the Independent Financial Adviser, be set out in the letter from the Independent Board Committee in the circular to be despatched to the Shareholders) are of the view that the Acquisition is in the ordinary and usual course of business of the Group, and the terms of the Property Transfer Agreement are on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Connected transaction

The Vendor is wholly-owned by Mr. Chen Hua, an executive Director. Therefore, the Vendor is an associate of Mr. Chen Hua and accordingly, a connected person of the Company pursuant to Rule 14A.07(4) of the Listing Rules. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the Acquisition is more than 5% and the Consideration exceeds HK\$10,000,000, the entering into of the Property Transfer Agreement and the transactions contemplated thereunder is therefore subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Discloseable transaction

As the highest of all the applicable percentage ratios as set out in the Listing Rules in respect of the Acquisition exceeds 5% but less than 25%, the entering into of the Property Transfer Agreement and the transactions contemplated thereunder also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to make recommendation to the Independent Shareholders and the Independent Board Committee which comprises all independent non-executive Directors, namely Mr. Au Hei Ching, Mr. Lee Cheung Yuet Horace, Mr. Zheng Yu and Ms. Zhou Xiaochun, as to whether the Acquisition is fair and reasonable and to advise the Independent Shareholders on how to vote on the proposed resolutions in respect thereof at the EGM, and such appointment has been approved by the Independent Board Committee.

GENERAL

Mr. Chen Hua, an executive Director, had abstained from voting on the relevant Board resolutions approving the entering into of the Property Transfer Agreement and the Acquisition. Save as disclosed above, none of the Directors has or is deemed to have a material interest in the Property Transfer Agreement and the Acquisition and is required to abstain from voting on the relevant Board resolutions.

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, passing the ordinary resolution to approve the Property Transfer Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Mr. Chen Hua, an executive Director, indirectly holds 3,600,400 Shares, representing approximately 0.50% of the total issued share capital of the Company, through Sunlight Global Investment Limited (a corporation owned as to 61.20% by Mr. Chen Hua) and Ms. Liu Jing, the spouse of Mr. Chen Hua, indirectly holds 2,400,400 Shares, representing approximately 0.33% of the total issued share capital of the Company, through Lilian Global Investment Limited (a corporation wholly-owned by Ms. Liu Jing). As Mr. Chen Hua has a material interest in the Property Transfer Agreement, each of Mr. Chen Hua, Ms. Liu Jing, Sunlight Global Investment Limited, Lilian Global Investment Limited and their respective associates are required to abstain from voting on the resolutions approving the Property Transfer Agreement and the transactions contemplated thereunder at the EGM. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, no other Shareholder is required to abstain from voting with respect to the resolutions approving the Property Transfer Agreement and the transactions contemplated thereunder at the EGM.

A circular including, among other information, (i) further information of the Property Transfer Agreement; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a valuation report of the Properties; and (v) a notice of the EGM with proxy form, is expected to be despatched to the Shareholders on or before 31 October 2023 in accordance with the requirement under the Listing Rules.

Shareholders and potential investors of the Company should be aware that as the Completion is subject to the satisfaction of the conditions precedent set out in the Property Transfer Agreement, therefore the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following respective meanings:

“Acquisition”	the acquisition of the Properties by the Purchaser from the Vendor under the Property Transfer Agreement
“associate”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday or a Sunday) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities
“Company”	Diwang Industrial Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1950)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Property Transfer Agreement
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Consideration”	the consideration for the Acquisition in the amount of RMB30 million
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting or any adjournment thereof of the Company to be convened for the purpose of considering and, if thought fit, approving the Property Transfer Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Board comprising Mr. Au Hei Ching, Mr. Lee Cheung Yuet Horace, Mr. Zheng Yu and Ms. Zhou Xiaochun, being the independent non-executive Directors appointed by the Board for the purpose of advising the Independent Shareholders in relation to the Acquisition
“Independent Financial Adviser”	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Property Transfer Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than Mr. Chen Hua and his associates
“Independent Third Party(ies)”	a third party independent of and not connected with the Company and its subsidiaries and its connected persons
“Independent Valuer”	Royson Valuation Advisory Limited, an independent professional valuer appointed by the Company for the valuation of the Properties
“Landlord Legal Restructuring Parties”	the Then Landlord and its investors for the purpose of the Then Landlord’s bankruptcy restructuring (including Zijin Zhunqian), all of which are Independent Third Parties
“Leased Properties”	Level 16 of the Properties
“Properties”	the premises located at unit nos. 1601, 1602, 1603 and 1604 on Level 16 and unit nos. 1701, 1702, 1703 and 1704 on Level 17, Block No. 1 (also known as “E1”) of Zihui Zhongchuang Center, No. 3 Xiyuan 8th Road, ZJU Rainforest, Core Area of Zijin Innovation Town, Sandun Town, Xihu District, Hangzhou City, Zhejiang Province, the PRC (中國浙江省杭州市西湖區三墩鎮紫金眾創小鎮核心區浙大森林西園八路3號智匯眾創中心1號樓(又稱“E1 樓”) 16層1601, 1602, 1603, 1604室及17層1701, 1702, 1703及1704室)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	15 December 2023 or such later date as may be agreed between the parties to the Property Transfer Agreement in writing
“Original Property Transfer Agreement”	the property transfer agreement dated 23 December 2013 entered into between the Purchaser and the then landlord of the Properties as vendor (an Independent Third Party) to purchase the Properties at a consideration of approximately RMB25.4 million
“Purchaser”	Zhejiang Sunlight Material Technology Co., Ltd.* (浙江深藍新材料科技有限公司), a company established under the laws of the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company
“Property Transfer Agreement”	the property transfer agreement dated 9 October 2023 entered into between the Purchaser and the Vendor in relation to the Acquisition
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Then Landlord”	Zhejiang Zheda Wangxin Industry Development Co., Ltd.* (浙江浙大網新實業發展有限公司), the then landlord of the Properties and being the vendor of the Original Property Transfer Agreement
“Vendor” or “Hangzhou Qiyue”	Hangzhou Qiyue Investment Management Co., Ltd.* (杭州啟越投資管理有限公司), a company established under the laws of the PRC with limited liability and is wholly-owned by Mr. Chen Hua

“Zijin Zhunqian”

Hangzhou Zijin Zhunqian Technology Development Co.
Ltd.* (杭州紫金准乾科技發展有限公司)

“%”

per cent

By order of the Board
Diwang Industrial Holdings Limited
CHEN HUA
Executive Director

Hong Kong, 9 October 2023

As at the date hereof, the Board comprises Mr. Chen Hua, Mr. Lam Kam Kong Nathaniel, Mr. Sun Jingang and Mr. Tse Chun Chung as executive Directors; Mr. Au Hei Ching, Mr. Lee Cheung Yuet Horace, Mr. Zheng Yu and Ms. Zhou Xiaochun as independent non-executive Directors.

* *For identification purposes only*