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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 AND PROFIT WARNING**

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**”) and 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) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (“**FY2023**”) and information currently available to the Board, the Group is expected to record a consolidated net loss before tax of approximately RMB152.0 million to RMB161.5 million during FY2023 (the “**Profit Warning**”), whereas the consolidated net loss before tax was approximately RMB8.2 million during the year ended 31 December 2022 (“**FY2022**”). This is mainly attributable to the impairment losses recognised in respect of goodwill and written off of prepayment of Qinghe Project, a real estate development project for the construction of residential units located in Zouping City, Shandong Province, which are expected to amount to approximately RMB150.4 million in FY2023, whereas impairment loss in respect of goodwill amounted to approximately RMB2.0 million in FY2022.

If, without taking into account the above-mentioned impairment losses recognised in respect of goodwill and written off of prepayment of Qinghe Project, the Group's consolidated net loss before tax for FY2023 was approximately in the range from RMB1.6 million to RMB11.1 million, representing a decrease of approximately 74.2% to an increase of approximately 79.0% as compared to the consolidated net loss before tax of approximately RMB6.2 million (without taking into account of the impairment loss recognised in respect of goodwill of approximately RMB2.0 million) in FY2022.

## **THE REASONS FOR QINGHE'S GOODWILL IMPAIRMENT AND WRITTEN OFF OF PREPAYMENT**

References are made to the Group's announcement of interim results for the six months ended 30 June 2023 published on 21 August 2023 (the "**2023 Interim Results**") and the Group's interim report for the six months ended 30 June 2023 published on 23 August 2023 (the "**2023 Interim Report**"). As mentioned in the 2023 Interim Results and the 2023 Interim Report, the Group considers the progress of the Qinghe Project to be very slow and it is difficult for the Group to obtain the land use certificate through public tender, auction and listing-for-bidding. As the Qinghe Project demands heavy working capital investment, the Group has been very cautious about starting this project. During the second half of FY2023, the Group tried to explore other possibilities to kick off this project, including continuous discussion with the government and attempts to identify suitable business partner(s) to jointly develop this project. However, the Group has not been able to achieve material progress due to the prolonged depression in the real estate market in the PRC and expects that it will be difficult to commence this project in the coming two years. With the assistance of the Company's independent valuer, the Board reviewed and reassessed the key assumptions used in determining the recoverable amount of the Qinghe Project. Based on the preliminary assessment of the Board, the additional impairment losses recognised in respect of goodwill and written off of prepayment of Qinghe Project are expected to be approximately RMB150.4 million.

The above preliminary goodwill and prepayment impairment assessments were made based on the applicable accounting principles on a prudent basis and are subject to change. The impairment loss recognised in respect of goodwill and written off of prepayment are non-cash items and do not have an impact on the Group's working capital.

The Company is still in the process of finalising the results of the Group for FY2023. The information contained in this announcement is only based on a preliminary assessment made by the Board on the basis of unaudited consolidated management accounts of the Group for FY2023, which have not been audited or reviewed by the Company's auditors nor reviewed by the audit committee of the Board, and other information currently available to the Board, and is subject to finalisation and adjustments. Further details and the final results of the Group for FY2023 will be disclosed when the Group publishes its announcement of final results for FY2023, which is expected to be released by the end of March 2024.

## **Reporting Obligations under Rule 10 of the Takeovers Code**

References are made to (i) the announcement of the Company dated 4 August 2023, made pursuant to Rule 13.09 of the Listing Rules, the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO and Rule 3.7 of the Codes on Takeovers and Mergers of Hong Kong (the “**Takeovers Code**”), in relation to, amongst other things, the appointment of the Receivers in respect of the Charged Shares held by Xiwang Investment, the controlling shareholder (as defined under the Listing Rules) of the Company (the “**August 2023 Announcement**”); and (ii) the monthly update announcements of the Company dated 5 September 2023, 5 October 2023, 3 November 2023, 4 December 2023, 5 January 2024, 5 February 2024 and 5 March 2024 (collectively the “**Monthly Update Announcements**”). Unless otherwise defined herein, capitalised terms in this announcement shall have the same meanings given in the August 2023 Announcement and the Monthly Update Announcements.

The Profit Warning constitutes a profit forecast under Rule 10 of the Takeovers Code and should therefore be reported on by the Company’s financial advisers and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of inside information under Rule 13.09(2)(a) of the Listing Rules and pursuant to Part XIVA of the SFO, the Company is required to issue this announcement as soon as practicable and, given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code and Practice Note 2 issued by the Securities and Futures Commission, if a profit forecast is made during an offer period and is first published in an announcement, it must be repeated in full, together with the reports from the Company’s financial advisers and auditors on the said profit forecast, in the next document to be sent to the Shareholders by the Company (the “**Shareholders’ Document**”). However, if the Group’s results announcement for FY2023 is published prior to the despatch of the next Shareholders’ Document and the relevant results together with the notes to the financial statements are incorporated by reference in the next Shareholders’ Document, thus falling within the ambit of Rule 10.9 of the Takeovers Code, the requirements to report on the financial statements under Rule 10.4 of the Takeovers Code will no longer apply.

**Shareholders and potential investors should note that the Profit Warning has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should therefore exercise caution in placing any reliance on the Profit Warning in assessing the merits and demerits of the possible transaction arising from the Receivership. Shareholders and potential investors are advised to exercise caution when dealing in securities of the Company.**

By Order of the Board  
**Xiwang Property Holdings Company Limited**  
**WANG YONG**  
*Chairman*

Hong Kong, 22 March 2024

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

*Executive Directors:*

Mr. WANG Jin Tao  
Mr. WANG Wei Min

*Independent non-executive Directors:*

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

*Non-executive Directors:*

Mr. WANG Yong  
Mr. SUN Xihu

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

\* *For identification purpose only*