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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Xiwang Special Steel Company Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**XIWANG SPECIAL STEEL COMPANY LIMITED****西王特鋼有限公司***(incorporated in Hong Kong with limited liability)***(Stock code: 1266)**

**PROPOSALS FOR
GRANTING OF GENERAL MANDATES TO
REPURCHASE AND TO ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Xiwang Special Steel Company Limited to be held at Boardroom 3-4, Mezzanine Floor, Renaissance Hong Kong Harbour View Hotel, No. 1 Harbour Road, Wanchai, Hong Kong at 2:30 p.m. on Thursday, 6 June 2019 is set out on pages 15 to 20 of this circular. A form of proxy for use at the annual general meeting (or at any adjournment thereof) is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) and the Company (www.xiwangsteel.com).

If you are not able to attend the annual general meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting if you so wish.

References to time and dates in this circular are to Hong Kong time and dates.

30 April 2019

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	an annual general meeting of the Company to be held at Boardroom 3-4, Mezzanine Floor, Renaissance Hong Kong Harbour View Hotel, No. 1 Harbour Road, Wanchai, Hong Kong at 2:30 p.m. on Thursday, 6 June 2019 to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 15 to 20 of this circular, or any adjournment thereof
“Articles”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“Company”	Xiwang Special Steel Company Limited (西王特鋼有限公司), a company incorporated in Hong Kong with limited liability under the laws of Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange
“Core connected person(s)”	has the same meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors in the manner as set out in resolution no. 7 in the notice of AGM to the effect that any Shares repurchased under the Share Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“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 PRC

DEFINITIONS

“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with the Shares in the manner as set out in resolution no. 6 in the notice of AGM
“Latest Practicable Date”	23 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Share Repurchase Mandate”	a general and unconditional mandate proposed to be granted by the Shareholders to the Directors to exercise all the powers of the Company to repurchase Shares in the manner as set out in resolution no. 5 in the notice of AGM
“Shareholder(s)”	holder(s) for the time being of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong

DEFINITIONS

“Xiwang Group”	Xiwang Group Company Limited (西王集團有限公司), a company established in the PRC with limited liability, which was the Company’s ultimate holding company as at the Latest Practicable Date
“Xiwang Hong Kong”	Xiwang Hong Kong Company Limited, a company incorporated in Hong Kong with limited liability on 1 April 2006, a wholly-owned subsidiary of Xiwang Group
“Xiwang Holdings”	Xiwang Holdings Limited, a company incorporated in the British Virgin Islands with limited liability on 9 February 2004 which was owned, as at the Latest Practicable Date, as to 95% directly by Xiwang Hong Kong and as to 5% directly by Mr. WANG Yong and 22 individual. Xiwang Holdings Limited is also the sole shareholder of Xiwang Investment
“Xiwang Investment”	Xiwang Investment Company Limited, a company incorporated in the British Virgin Islands with limited liability on 27 January 2005, a wholly-owned subsidiary of Xiwang Holdings and a controlling shareholder (as defined under the Listing Rules) of the Company
“%”	per cent

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

LETTER FROM THE BOARD



XIWANG SPECIAL STEEL COMPANY LIMITED 西王特鋼有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 1266)

Executive Directors:

Mr. ZHANG Jian (*Chief Executive Officer*)
Mr. SUN Xihu
Ms. LI Hai Xia

Non-executive Directors:

Mr. WANG Di (*Chairman*)
Mr. WANG Yong

Independent non-executive Directors:

Mr. LEUNG Shu Sun Sunny
Mr. YU Kou
Mr. LI Bangguang

Registered office:

Unit 2110, 21/F Harbour Centre
25 Harbour Road
Wanchai, Hong Kong

*Head office and principal place
of business in the PRC:*

Xiwang Industrial Area
Zouping County
Shandong Province
China
256209

30 April 2019

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR
GRANTING OF GENERAL MANDATES TO
REPURCHASE AND TO ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of (i) the granting to the Directors of the Share Repurchase Mandate, the Issue Mandate and the Extension Mandate; (ii) the proposed re-election of the one executive Director of the Company, namely, Mr. ZHANG Jian; one independent non-executive Director of the Company, namely, Mr. LI Bangguang; (iii) the proposed re-appointment of auditors of the Company and (iv) to give you notice of the AGM at which resolutions will be proposed for the Shareholders to consider and, if thought fit, approve, among other matters, the aforesaid matters.

LETTER FROM THE BOARD

2. SHARE REPURCHASE MANDATE, ISSUE MANDATE AND EXTENSION MANDATE

At the annual general meeting of the Company held on 6 June 2018, general mandates were granted to the Directors to repurchase Shares and issue new Shares respectively. Each of such mandates will lapse at the conclusion of the annual general meeting. In order to give the Company the flexibility to repurchase Shares and issue and allot new Shares if and when appropriate, the Directors would like to seek your approval to grant new general mandates to the Directors.

An ordinary resolution set out as resolution no. 5 in the notice of the AGM will be proposed at the AGM to grant to the Directors the Share Repurchase Mandate to repurchase Shares up to an amount not exceeding 10% of the number of shares in issue as at the date of the passing of the resolution.

An ordinary resolution set out as resolution no. 6 in the notice of the AGM will also be proposed at the AGM to grant to the Directors the Issue Mandate to allot and issue new Shares up to an amount not exceeding 20% of the number of shares in issue as at the date of the passing of the resolution. Such Issue Mandate will be extended by the passing of a separate resolution set out as resolution no. 7 in the notice of the AGM by the addition to the aggregate nominal amount of the Shares which may be allotted and issued pursuant to the Issue Mandate of an amount representing the number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate subject to the passing of the ordinary resolutions nos. 5 and 6 in the notice of the AGM to grant the Share Repurchase Mandate and the Issue Mandate to the Directors.

The Share Repurchase Mandate and Issue Mandate, if approved at the AGM, will continue in force until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by Articles or any applicable laws of Hong Kong to be held; and (iii) the passing of an ordinary resolution by Shareholders revoking or varying the authority given to the Directors.

With reference to the Share Repurchase Mandate and the Issue Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any new Shares pursuant thereto.

An explanatory statement required by the Listing Rules to provide you with requisite information reasonably necessary for you to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board comprised three executive Directors, namely, Mr. ZHANG Jian, Mr. SUN Xihu and Ms. LI Hai Xia, two non-executive Directors, namely, Mr. WANG Di and Mr. WANG Yong, and three independent non-executive Directors, namely, Mr. LEUNG Shu Sun Sunny, Mr. YU Kou and Mr. LI Bangguang.

According to the Listing Rules, each of Mr. ZHANG Jian and Mr. LI Bangguang shall retire from office and, being eligible, will offer himself for re-election at the AGM. The Board, upon the recommendation of the nomination committee of the Company, has proposed the re-election of Mr. ZHANG Jian and Mr. LI Bangguang as the Directors. Biographical and other details of the above Directors who offer themselves for re-election are set out in Appendix II to this circular.

At the AGM, separate resolutions will be proposed to approve their re-election.

4. PROPOSED PAYMENT OF FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB12.8 cents per ordinary Share, for the year ended 31 December 2018 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Wednesday, 19 June 2019. The payment of final dividend on Monday, 8 July 2019 is subject to the approval of the shareholders of the Company at the AGM. The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the average middle rate of RMB to Hong Kong dollars as announced by the People's Bank of China for the period from Monday, 3 June 2019 to Thursday, 6 June, 2019.

5. RE-APPOINTMENT OF THE AUDITORS

Ernst & Young will retire as the auditors of the Company at the AGM and, being eligible, offer themselves for re-appointment.

The Board proposed to re-appoint Ernst & Young as the auditors of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

LETTER FROM THE BOARD

6. AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 15 to 20 of this circular.

Pursuant to the Listing Rules and the Articles, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands in accordance with the note to Rule 13.39(4) of the Listing Rules. An announcement on the poll results will be published by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkex.com.hk) and the Company (www.xiwangsteel.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, at the Company's share registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM if you so wish.

7. RECOMMENDATION

The Directors believe that the grant of each of the Share Repurchase Mandate, the Issue Mandate and the Extension Mandate, the re-election of Directors and the re-appointment of auditors, are in the best interests of the Company and the Shareholders as a whole.

The Share Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that repurchases of Shares will benefit the Company and the Shareholders. The Directors believe that the exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company. An exercise of the Share Repurchase Mandate in full may have a material adverse impact on the working capital or gearing position of the Company compared with that as at 31 December 2018, being the date of the Company's latest audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

LETTER FROM THE BOARD

Accordingly, the Directors recommend the Shareholders to vote in favour of all the ordinary resolutions to be proposed at the AGM.

8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendixes to this circular.

Yours faithfully,
For and on behalf of the Board
WANG Di
Chairman

The following is an explanatory statement required by Rule 10.06(1)(b) the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of the Share Repurchase Mandate, and constitutes the memorandum required under section 239 of the Companies Ordinance.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange or any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong for this purpose subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the number of Shares in issue was 2,268,510,999 Shares.

Subject to the passing of the ordinary resolution set out in resolution no. 5 of the notice of the AGM in respect of the granting of the Share Repurchase Mandate and on the basis that the number of Shares in issue remains unchanged on the date of the AGM i.e being 2,268,510,999 Shares, the Directors would be authorised under the Share Repurchase Mandate to repurchase (during the period in which the Share Repurchase Mandate remains in force) 226,851,099 Shares, representing 10% of the number of Shares in issue as at the date of the AGM.

3. REASONS FOR REPURCHASE OF SHARES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to have a general authority from the Shareholders to enable the Company to repurchase Shares on the Stock Exchange or any other stock exchange on which the Shares are listed.

Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or the earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws of Hong Kong. The Company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

5. IMPACT OF REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2018) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

6. MARKET PRICES OF SHARES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous 12 months and up to the Latest Practicable Date were as follows:

	Trade Prices (per Share)	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2018		
April	1.65	1.51
May	1.90	1.56
June	1.85	1.47
July	1.87	1.41
August	1.89	1.66
September	1.77	1.49
October	1.65	1.46
November	1.64	1.43
December	1.53	1.38
2019		
January	1.47	1.31
February	1.57	1.38
March	1.62	1.45
April (up to the Latest Practicable Date)	1.59	1.48

7. GENERAL

To the best of the knowledge of the Directors and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the Share Repurchase Mandate is granted by the Shareholders.

As at the Latest Practicable Date, the Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Share Repurchase Mandate is granted by the Shareholders.

8. UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

9. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code.

Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the immediate holding company of the Company is Xiwang Investment which in turn is wholly owned by Xiwang Holdings. The ultimate holding company of the Company was Xiwang Group, through its wholly owned subsidiary, Xiwang Hong Kong.

As at the Latest Practicable Date, Xiwang Investment held 1,500,000,000 Shares, representing approximately 66.12% of the Shares carrying voting rights in issue. Assuming that Xiwang Investment would not dispose of its Shares or acquire additional Shares and that no Shares would be issued or repurchased before the date of the AGM, if the Repurchase Mandate were exercised in full, the percentage shareholding of Xiwang Investment would be increased to approximately 73.47% of the Shares carrying voting rights in issue. Therefore, the exercise of the Repurchase Mandate in full would not trigger an obligation on Xiwang Investment to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

10. REPURCHASE OF SHARES MADE BY THE COMPANY

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The biographical details of each of the Directors who offer himself/herself for re-election at the AGM are set out below:

EXECUTIVE DIRECTORS

Mr. ZHANG Jian

Mr. ZHANG, aged 37, was appointed as an executive Director and chief executive officer of the Company in October 2015.

Mr. ZHANG obtained his Bachelor of Engineering from Yanbian University (延邊大學) in 2004 and Master of Engineering from Qilu University of Technology (齊魯工業大學) in 2013. He joined the production department of Shandong Xiwang Sugar Company (山東西王糖業有限公司) (“**Xiwang Sugar**”) from February 2004 to August 2004. From August 2004 to October 2014, he held several managerial positions including director of general manager office, manager of supply department, project manager, deputy managers and general managers within Xiwang Group and its subsidiaries, including Shangdong Xiwang Steel Co., Ltd. (山東西王鋼鐵有限公司), Shandong Xiwang Biochemical Technology Co., Ltd. (山東西王生化科技有限公司), Xiwang Sugar, Shandong Youhuo Fructose Co., Ltd. (山東西王悠活果糖有限公司) and Xiwang Pharmaceutical Company Limited (西王藥業有限公司). Since October 2014, he has been the general manager of Shangdong Xiwang Special Steel Company Limited (山東西王特鋼有限公司) (“**Shandong Xiwang Special Steel**”), a wholly-owned subsidiary of the Company.

Mr. ZHANG has entered into a service agreement with the Company. Mr. ZHANG is also subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles. Mr. ZHANG will not receive any director’s fee, but Mr. ZHANG may receive discretionary bonus other form of remuneration as determined with reference to her performance, the remuneration policy of the Company and the prevailing market conditions from the Company. As at the Latest Practicable Date, Mr. ZHANG did not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Mr. ZHANG does not have any relationship with any other Director, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company. Saved as disclosed above, Mr. ZHANG did not hold any other directorship in listed companies during the three years preceding the Latest Practicable Date.

Save as disclosed above, there is no other information required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Mr. ZHANG that need to be brought to the attention of the Shareholders of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTOR**Mr. LI Bangguang**

Mr. LI, aged 45, was appointed as an independent non-executive Director of the Company in March 2016.

Mr. LI is a qualified PRC lawyer. Mr. LI graduated from Shandong University (山東大學) in 2005 majoring in law. Mr. LI worked as sales manager at Zouping County Health Products Company (鄒平縣保健品有限公司) from June 1994 to October 2000 and as staff attorney at Zouping County Cheng Zhong Legal Services Office (鄒平縣城中法律服務所) from October 2000 to May 2005. Since May 2005, Mr. LI joined Shandong Li Zhi Law Office (山東勵志律師事務所) and is working as a practicing lawyer there.

Mr. LI has entered into a service contract with the Company for a term of three years commencing from 31 March 2016 subject to, among other things, the relevant provisions under the articles of association of the Company and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, whereby Mr. LI shall hold office until the first annual general meeting of the Company after his appointment and shall be eligible for re-election at such meeting. Mr. LI is entitled to an annual director's fee of RMB50,000, subject to adjustment as appropriate to be determined by the Board, with reference to her duties as well as the prevailing market conditions.

Mr. LI does not have any relationship with any other Director, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company. Save as disclosed above, Mr. LI did not hold any other directorship in listed companies during the past three years preceding the Latest Practicable Date.

Save as disclosed above, there is no other information required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and there are no other matters concerning Mr. LI that need to be brought to the attention of the shareholders of the Company.

NOTICE OF AGM



XIWANG SPECIAL STEEL COMPANY LIMITED

西王特鋼有限公司

(incorporated in Hong Kong with limited liability)

(Stock code: 1266)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of Xiwang Special Steel Company Limited (the “**Company**”) will be held at Boardroom 3-4, Mezzanine Floor, Renaissance Hong Kong Harbour View Hotel, No. 1 Harbour Road, Wanchai, Hong Kong at 2:30 p.m. on Thursday, 6 June 2019 (the “**Meeting**”) for the following purposes (the “**Notice**”):

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 December 2018.
2. To consider and approve a final dividend of RMB12.8 cents for the year ended 31 December 2018.
3. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (a) to re-elect Mr. ZHANG Jian as an executive Director;
 - (b) to re-elect Mr. LI Bangguang as an independent non-executive Director;
 - (c) to authorise the board of Directors to fix the Directors’ remuneration.
4. To re-appoint Ernst & Young as auditors of the Company and to authorise the board of Directors to fix their remuneration.

NOTICE OF AGM

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

5. “**THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined in paragraph (c) below) all the powers of the Company to purchase the shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and subject to and in accordance with all applicable laws, rules and regulations;
- (b) the aggregate number of shares of the Company to be purchased pursuant to the general mandate in paragraph (a) above during the Relevant Period shall not exceed 10% of the number of shares of the Company in issue as at the date of passing of this resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares in accordance with section 170(2)(e) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) after the passing of this resolution) and the said mandate shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Hong Kong to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF AGM

6. **“THAT:**
- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined in paragraph (d) below) all the powers of the Company to allot, and issue additional shares of the Company and to make or grant offers, agreements, options and other rights, or issue warrants and other securities including bonds, debentures and notes convertible into shares of the Company, which would or might require the exercise of such powers;
 - (b) the general mandate in paragraph (a) above shall authorise the directors of the Company to make or grant offers, agreements, options and other rights, or issue warrants and other securities during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate number of shares of the Company allotted and issued or to be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to the general mandate in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined in paragraph (d) below); or
 - (ii) the exercise of options under a share option scheme of the Company or similar arrangement for the time being adopted for the grant or issue to option holders of shares in the Company; or
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; or
 - (iv) the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company,

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shall not exceed 20% of the number of shares of the Company in issue as at the date of the passing of this resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares in accordance with section 170(2)(e) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) after passing of this resolution) and the general mandate in paragraph (a) above shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of Hong Kong to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares in the capital of the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlement or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

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7. “**THAT** conditional upon the passing of resolutions set out in items 5 and 6 of the notice convening this Meeting, the general mandate referred to in the resolution set out in item 5 of the said notice be and is hereby extended by the addition to the number of shares of the Company which may be allotted and issued or to be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of an amount representing the number of shares purchased by the Company pursuant to the general mandate referred to in the resolution set out in item 5 of the said notice, provided that such amount shall not exceed 10% of the number of shares of the Company in issue on the date of the passing of this resolution.”

By order of the Board
Xiwang Special Steel Company Limited
WONG Kai Hing
Company Secretary

Hong Kong, 30 April 2019

Registered office:
Unit 2110, 21/F
Harbour Centre
25 Harbour Road
Wanchai, Hong Kong

*Head office and principal place of
business in the PRC:*
Xiwang Industrial Area
Zouping County
Shandong Province
China
256209

Notes:

1. All resolutions at the Meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy (or more than one proxy if he is the holder of two or more shares) to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

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3. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Shares as if it/he/she were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the joint holder, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's share registrar, Boardroom Share Registrars (HK) Limited, 2103B, 21/F, 148 Electric Road, North Point, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. In order to determine the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Monday, 3 June 2019 to Thursday, 6 June 2019 (both days inclusive), during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration by not later than 4:30 p.m. on Friday, 31 May 2019.
6. In order to determine the entitlement to the proposed final dividend for the year ended 31 December 2018, the register of members of the Company will be closed from Monday, 17 June 2019 to Wednesday, 19 June 2019 (both days inclusive), during which period no transfer of shares can be registered. In order to establish entitlements to the proposed final dividend for the year ended 31 December 2018, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration by not later than 4:30 p.m. on Friday, 14 June 2019.
7. As at the date of this Notice, the executive directors of the Company are Mr. ZHANG Jian, Mr. SUN Xinhu and Ms. LI Hai Xia, the non-executive directors of the Company are Mr. WANG Di and Mr. WANG Yong, and the independent non-executive directors of the Company are Mr. LEUNG Shu Sun Sunny, Mr. LI Bangguang and Mr. YU Kou.
8. References to time and dates in this notice are to Hong Kong time and dates.
9. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m., the meeting will be postponed. The Company will post an announcement on the Company's website (www.xiwangsteel.com) and the website of the Stock Exchange (www.hkexnews.hk) to notify the Shareholders of the date, time and place of the rescheduled meeting.