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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)

COMPLETION OF DISCLOSEABLE TRANSACTION ALLOTMENT AND ISSUE OF CONSIDERATION SHARES

References are made to the 2015 Announcement regarding the Technology Licence and Cooperation Agreement entered into between the Company, IMR and the 1st Batch of IMR Key Personnel and an announcement of the Company dated 16 September 2019 (the “**Supplemental Agreement Announcement**”) regarding the Supplemental Agreement to the Technology Licence and Cooperation Agreement entered into between the Parties.

Unless otherwise defined in this announcement, terms defined in the 2015 Announcement and the Supplemental Agreement Announcement shall have the same meaning when used herein.

COMPLETION AND ISSUE OF CONSIDERATION SHARES

The Board is pleased to announce all the conditions precedent as set out in the Technology Licence and Cooperation Agreement (as amended by the Supplemental Agreement) have been fulfilled and that Completion took place on 20 December 2019.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately before the Completion, the Company had 2,269,110,999 Shares in issue. Upon the Completion, an aggregate of 100,000,000 Consideration Shares, representing approximately 4.22% of the issued share capital of the Company as at the date of this announcement (as enlarged by the issue of the Consideration Shares), have been duly allotted and issued as fully paid to IMR Subsidiary (as to 49,000,000 Consideration Shares) and 2nd Batch of IMR Key Personnel (as to 51,000,000 Consideration Shares) at the issue price of HK\$1.22 per Consideration Share under the General Mandate. Accordingly, immediately after the Completion, there are 2,369,110,999 Shares in issue.

Set out below for illustrative purposes is the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion.

	Immediately before Completion		Immediately after Completion	
	<i>No. of Shares</i>	<i>Approximate per cent. (%)</i>	<i>No. of Shares</i>	<i>Approximate per cent. (%)</i>
Controlling shareholder				
Xiwang Investment	1,498,000,000	66.02	1,498,000,000	63.23
Public shareholders				
IMR Subsidiary	–	–	49,000,000	2.07
2nd Batch of IMR Key Personnel	–	–	51,000,000	2.15
Other public Shareholders	771,110,999	33.98	771,110,999	32.55
TOTAL	<u>2,269,110,999</u>	<u>100.00</u>	<u>2,369,110,999</u>	<u>100.00</u>

By Order of the Board of
Xiwang Special Steel Company Limited
WANG Di
Chairman

Hong Kong, 20 December 2019

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

Executive Directors

Mr. ZHANG Jian

Mr. SUN Xihu

Ms. LI Hai Xia

Independent non-executive Directors

Mr. LEUNG Shu Sun Sunny

Mr. LI Bangguang

Mr. YU Kou

Non-executive Director:

Mr. WANG Di