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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)**

### **INSIDE INFORMATION**

### **SETTLEMENT APPLICATION OF CONTROLLING SHAREHOLDER**

This announcement is made by Xiwang Special Steel Company Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the Company’s announcement dated 21 February 2020. The board of directors of the Company (the “**Board**”) hereby announces that the Company received a notification from its controlling shareholder (as defined in the Listing Rules), Xiwang Group Company Limited\* (西王集團有限公司) (“**Xiwang Group**”), that the first creditors’ meeting in respect of the settlement application made on 21 February 2020 (the “**Settlement Application**”) was held on 31 March 2020 via an online conference conducted in a conference room on the fifth floor of Hanzhuo Hotel, Zouping, Shandong Province, the People’s Republic of China. Based on the notification received, the Xiwang Group Settlement Agreement (Draft) (hereinafter referred to as the “**Settlement Agreement**”) was adopted by vote by the creditors. After the Settlement Agreement was adopted by vote at the creditors’ meeting, the administrator of Xiwang Group will submit an application to the Zouping Municipal People’s Court of Shandong Province (the “**Court**”) for ruling and approval of the Settlement Agreement. The Settlement Agreement will come into effect after the Court’s approval.

## IMPACT ON THE GROUP

The Company and Xiwang Group are different entities with independent and complete business and independent operating capabilities.

It is expected by Xiwang Group that the adoption by vote of the Settlement Agreement in its creditors' meeting will help to solve the liquidity problem of Xiwang Group, optimize the structure of assets and liabilities, and improve the sustainable operation and profitability of Xiwang Group, and will not have adverse effect on the daily production and operation of the Group. At the same time, the Group will actively carry out its daily operations on the existing basis to ensure stable production and operation. As of the date of this announcement, the production and operation of the Group is normal. The Company will disclose further developments of the above matters in a timely manner in a separate announcement in accordance with the Listing Rules and other regulatory requirements.

**Shareholders of the Company and potential investors are reminded that the Settlement Agreement still needs the Court's approval to enter into the implementation stage. The Company will continue to pay attention to the subsequent progress and impact of the above matters, and perform its information disclosure obligations in a timely manner in accordance with relevant provisions of laws and regulations. Shareholders of the Company and potential investors should exercise caution in dealing in shares of the Company.**

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

Hong Kong, 31 March 2020

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

\* *for identification purpose only*