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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)**

**UPDATE ON THE PUBLICATION OF THE  
2019 ANNUAL RESULTS AND DELAY IN DESPATCH OF  
2019 ANNUAL REPORT**

Reference is made to the announcement of Xiwang Special Steel Company Limited (the “**Company**”) dated 31 March 2020 in relation to the unaudited annual results of the Company and its subsidiaries for the year ended 31 December 2019 (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the audit process for the annual results of the Company for the year ended 31 December 2019 (the “**2019 Annual Results**”) has not been completed due to restrictions in force in parts of China to combat the COVID-19 coronavirus outbreak (the “**Restrictions**”). Due to the COVID-19 coronavirus outbreak, the audit of the 2019 Annual Results (the “**Audit**”) had been significantly influenced and delayed. There were significant restrictions on travelling to and from and accommodation for the Xiwang Industrial Area, Zouping, Shandong Province, being the head office and principal place of business of the Company in the PRC, which have affected the auditing and reporting process by the Company’s auditors (the “**Auditors**”). No access could be granted to visitors for a prolonged period, and restrictive access and quarantine requirements had been in place after the re-opening of the Industrial Area in mid-April. The Auditors were only able to commence field work in mid-April with gradual easing of the Restrictions, which coincided with the commencement of the PRC Labour Day holidays.

The board of the directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that, having considered the latest development and progress of the audit process, and pursuant to the recent discussions with the Auditors, additional time is required for the completion of the audit process for the 2019 Annual Results owing to the recent COVID-19 Epidemic and PRC Labour Day holidays, including but not limited to the obtaining of the original copies of confirmations from about five banks and financial institutions in the PRC. In light of the recent COVID-19 Epidemic and the PRC Labour Day holidays, for which the relevant offices had been closed during these times, these banks and financial institutions have been slow to respond to the Auditors and have yet to provide the relevant confirmations to the Auditors. The Company has been communicating and liaising with the Auditors throughout the Audit and adopting possible ways to comply with the financial reporting requirements in accordance with the Listing Rules. However, such outstanding audit procedures could only be completed with the assistance of the above-mentioned third-party banks and financial institutions. It is expected that, subject to no unforeseen circumstances and assuming that the audit procedures will be completed on or before 29 May 2020, the audited 2019 Annual Results and the annual report for the year ended 31 December 2019 will be published on or before 29 May 2020.

Application had been made to the Stock Exchange for the approval for the delay in publication of the announcement for the audited 2019 Annual Results and the 2019 annual report and such application is still under process at the date of this announcement. The Company will make further announcement as and when appropriate in accordance with the Listing Rules.

## **FURTHER ANNOUNCEMENT(S)**

Following the completion of the Audit, the Company will issue further announcement(s) in relation to the audited results for the year ended 31 December 2019 as agreed by the Auditors and the material differences (if any) as compared with the annual results contained in the Announcement. In addition, the Company will issue further announcement(s) as and when necessary if there are other material developments in the completion of the auditing process.

***Shareholders of the Company and potential investors are advised to exercise caution when dealing in securities of the Company.***

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

Hong Kong, 15 May 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