
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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 3:00 p.m. on 30 June 2020 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.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of Shareholders and to prevent and control the spreading of the coronavirus disease 2019 (COVID-19), the following precautionary measures will be implemented at the 2020 annual general meeting of the Company:

- (1) Compulsory temperature screening/checks;
- (2) Submission of Health and Travel Declaration Form;
- (3) Wearing of surgical face mask;
- (4) No provision of refreshments or drinks; and
- (5) No provision of corporate gifts.

Attendees who do not comply with the precautionary measures referred to in (1) to (3) above may be denied entry to the annual general meeting venue, at the absolute discretion of the Company as permitted by law.

For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the annual general meeting by appointing the chairman of the annual general meeting as their proxy and to return their proxy forms by the time specified above, instead of attending the annual general meeting in person.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
 LETTER FROM THE BOARD	
1. Introduction	4
2. Share Repurchase Mandate, Issue Mandate and Extension Mandate.	5
3. Re-election of Directors	6
4. Re-Appointment of the Auditors.	6
5. AGM and Proxy Arrangement	6
6. Recommendation	7
7. General Information	7
 APPENDIX I – EXPLANATORY STATEMENT ON THE SHARE REPURCHASE MANDATE	
	8
 APPENDIX II – DETAILS OF DIRECTORS SUBJECT TO RE-ELECTION	
	12
 NOTICE OF AGM	 15

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 3:00 p.m. on 30 June 2020 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. 6 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. 5 in the notice of AGM
“Latest Practicable Date”	5 June 2020, 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. 4 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 of 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 individuals. 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 Xinqu
Ms. LI Hai Xia

Non-executive Director:

Mr. WANG Di (*Chairman*)

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

9 June 2020

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 one executive Director of the Company, namely, Mr. SUN Xinqu; one non-executive Director of the Company, namely, Mr. WANG Di; and one independent non-executive Director of the Company, namely, Mr. YU Kou; (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 28 June 2019, 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. 4 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. 5 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. 6 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. 4 and 5 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 Xinqu and Ms. LI Hai Xia, one non-executive Director, namely, Mr. WANG Di, 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. SUN Xinqu, Mr. WANG Di and Mr. YU Kou 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. SUN Xinqu, Mr. WANG Di and Mr. YU Kou 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. 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.

5. 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.

LETTER FROM THE BOARD

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.

6. 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 2019, 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.

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

7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices 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 2,369,110,999 Shares.

Subject to the passing of the ordinary resolution set out in resolution no. 4 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 2,369,110,999 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) 236,911,099 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 2019) 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 HK\$	Lowest HK\$
2019		
May	1.48	1.36
June	1.38	1.31
July	1.43	1.04
August	1.04	1.71
September	0.86	0.71
October	0.70	0.50
November	0.54	0.485
December	0.50	0.47
2020		
January	0.76	0.475
February	0.91	0.75
March	0.79	0.41
April	0.55	0.425
May	0.46	0.41
June (up to the Latest Practicable Date)	0.425	0.41

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 holding 95% interest in Xiwang Holdings through its wholly-owned subsidiary, Xiwang Hong Kong.

As at the Latest Practicable Date, Xiwang Investment held 1,392,371,000 Shares, representing approximately 58.77% 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 65.30% 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. SUN Xihu

Mr. SUN, aged 46, was appointed as a non-executive Director in June 2011 and re-designated to executive Director on 16 April 2015.

Mr. SUN has been serving as vice general manager since he joined Xiwang Group Company Limited in March 2003. Mr. SUN earned his master's degree in food science from Southern Yangtze University (江南大學) in July 2004 and bachelor's degree in food science from Shandong Polytechnic University (山東輕工業學院) in July 1997. Mr. SUN was an executive director of Xiwang Property Holdings Company Limited ("**Xiwang Property**") (previously named Xiwang Sugar Holdings Company Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited under stock code 2088) since December 2008 and re-designated as a non-executive director on July 2012. Mr. SUN has also been a director of Xiwang Foodstuffs Company Limited ("**Xiwang Foodstuffs**", a company listed on the Main Board of the Shenzhen Stock Exchange under stock code 000639) since 2010 and the vice chairman of the board of Xiwang Foodstuffs since June 2014. Mr. SUN was the secretary of the board of Xiwang Foodstuffs from 2010 to October 2013.

Mr. SUN has entered into a service contract with the Company, subject to termination in certain circumstances as stipulated in the service contract. Mr. SUN is also subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles. Other than share options, Mr. SUN will not receive any director's fee, but Mr. SUN may receive discretionary bonus other form of remuneration as determined with reference to his performance, the remuneration policy of the Company and the prevailing market conditions from the Company.

As at the Latest Practicable Date, Mr. SUN was interested in 89 shares of Xiwang Holdings and RMB35,460,000 in Xiwang Group within the meaning of Part XV of the SFO. Mr. SUN was interested in 1,602,000 shares and an option to subscribe for 500,000 shares of the Company. Mr. SUN was interested in an option to subscribe for 3,000,000 shares of Xiwang Property.

Save as disclosed above, as at the Latest Practicable Date, Mr. SUN 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. SUN 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. SUN that need to be brought to the attention of the Shareholders of the Company.

NON-EXECUTIVE DIRECTORS**Mr. WANG Di**

Mr. WANG, aged 37, was appointed as a non-executive Director in November 2007 and as the chairman on 10 October 2014. He is the son of Mr. WANG Yong a former non-executive Director of the Company. He has been serving as the head of branding of the Group since March 2010. Mr. WANG attended the bachelor's degree course of information conflict from the Electronic Engineering Institute of the Chinese People's Liberation Army (中國人民解放軍電子工程學院) from 2001 to 2005. Mr. WANG joined Xiwang Group in August 2005 and has been in charge of the international trading business of Xiwang Group for more than eight years. Mr. WANG has been granted various awards and honours, including outstanding worker for enterprise education and training of Shandong Province of the PRC in 2006, labour model of Binzhou City of Shandong Province of the PRC, labour model of Shandong Province, the PRC and outstanding entrepreneur in food industry of Shandong Province of the PRC. Mr. WANG is director and the chairman of Xiwang Foodstuffs. He was appointed as the executive director of Xiwang Property in November 2010 and the deputy chairman in July 2012, and was re-designated as the chairman and non-executive director on 15 July 2013. Mr. Wang was appointed as the chairman of Xiwang Group Company Limited in October 2013.

Save as disclosed above, Mr. WANG did not hold any other directorship in listed companies during the past three years preceding the Latest Practicable Date.

Mr. WANG has entered a service agreement with the Company. Other than share options, he is not entitled to director's fee or other remuneration from the Group. He is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles.

As at the Latest Practicable Date, Mr. WANG was interested in 177 shares of Xiwang Holdings and RMB35,460,000 in Xiwang Group within the meaning of Part XV of the SFO. Mr. WANG was interested in 9,333,333 shares and an option to subscribe for 1,666,667 shares of the Company. Mr. WANG was interested in an option to subscribe for 3,000,000 shares of Xiwang Property.

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. WANG that need to be brought to the attention of the Shareholders of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTOR**Mr. YU Kou**

Mr. YU, aged 72, was appointed as an independent non-executive Director commencing from 23 February 2012. Mr. YU is the deputy secretary general of China Special Steel Enterprise Association (中國特鋼企業協會) since 2008. He served as vice president of the Shougang Group (首鋼集團) from 2005 to 2008, and was with Shougang Group since 1983. Mr. YU has worked in the steel industry since 1969. He studied in the master program at the Party School of the Central Committee of C.P.C. (中共中央黨校) in economics and management from September 2004 to July 2007. Mr. YU received a professional diploma in industrial management from Beijing Institute of Economic Management (北京市經濟管理幹部學院) in December 1986.

Mr. YU has entered a service agreement with the Company on 30 January 2018 for a term of three years and is entitled to an annual salary of RMB50,000 which was determined with reference to his experience, duties and expertise. He is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. As at the Latest Practicable Date, Mr. YU did not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. YU 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. YU 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. YU 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 3:00 p.m. on 30 June 2020 (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 2019.
2. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (a) to re-elect Mr. SUN Xinqu as an executive Director;
 - (b) to re-elect Mr. WANG Di as a non-executive Director;
 - (c) to re-elect Mr. YU Kou as an independent non-executive Director; and
 - (d) to authorise the board of Directors to fix the Directors’ remuneration.
3. To consider and approve the re-appointment of 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:

4. **“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

5. **“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,

NOTICE OF AGM

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).”

NOTICE OF AGM

6. “**THAT** conditional upon the passing of resolutions set out in items 4 and 5 of the notice convening this Meeting, the general mandate referred to in the resolution set out in item 4 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 4 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
WANG Di
Chairman

Hong Kong, 9 June 2020

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.

NOTICE OF AGM

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 24 June 2020 to 30 June 2020 (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 23 June 2020.
6. As at the date of this Notice, the executive directors of the Company are Mr. ZHANG Jian, Mr. SUN Xinqu and Ms. LI Hai Xia, the non-executive director of the Company is Mr. WANG Di, and the independent non-executive directors of the Company are Mr. LEUNG Shu Sun Sunny, Mr. LI Bangguang and Mr. YU Kou.
7. References to time and dates in this notice are to Hong Kong time and dates.
8. 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.
9. Precautionary measures for the annual general meeting:

Please see cover page of the circular of the Company dated 9 June 2020 for measures being taken to try to prevent and control the spreading of the coronavirus disease (COVID-19) at the annual general meeting, including: (i) compulsory temperature screening/checks; (ii) submission of health and travel declaration form; (iii) wearing of surgical face mask; (iv) no provision of refreshments or drinks; and (v) no provision of corporate gifts.

Any person who does not comply with the precautionary measures may be denied entry to the annual general meeting venue. Shareholders are encouraged to appoint the chairman of the annual general meeting as their proxy to vote on the relevant resolutions at the annual general meeting instead of attending the annual general meeting in person.