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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  
SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING  
IN RESPECT OF  
POSSIBLE FORMATION OF JOINT VENTURE**

This announcement is made by Xi Wang 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 announcement (the “**Announcement**”) of the Company dated 26 June 2020 in relation to the entering into of a non-legally binding MOU regarding the possible formation of a joint venture company for, among others, the production and sale of rare earth special steel, various types of steel and steel products. Unless the context otherwise requires, capitalised terms in this announcement shall have the same meanings as those defined in the Announcement.

Under the terms of the MOU, if the Company is unable to obtain the approval from shareholders of the Company within nine months from the date of the MOU (or within an extended period as agreed by parties) (the “**Time Period**”), the parties agreed to terminate the transaction (and, if necessary, to de-register the JV Company) without recourse. As additional time is required for the finalisation of the terms of the Definitive Agreement and obtaining approval from the Company’s shareholders, the parties to the MOU entered into a supplemental memorandum of understanding on 31 March 2021 (after trading hours) (the “**Supplemental MOU**”) to extend the Time Period to 30 June 2021 (subject to further extension by mutual consent of the parties).

The MOU and the Supplemental MOU may or may not lead to the entering into of the Definitive Agreement(s) and the transactions contemplated thereunder may or may not be consummated. The Proposed Joint Venture Formation, if materialised, may constitute a notifiable transaction for the Company under the Listing Rules. The Company will comply with the applicable provisions of the Listing Rules in relation to the Proposed Joint Venture Formation including, but not limited to, obtaining the approval of shareholders of the Company, if required. Further announcement will be made in respect thereof as and when required by the Listing Rules.

**As the Proposed Joint Venture Formation may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By order of the board of  
**Xiawang Special Steel Company Limited**  
**WANG DI**  
*Chairman*

Hong Kong, 31 March 2021

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

*Executive Directors*

Mr. ZHANG Jian  
Mr. SUN Xinhui  
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