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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).

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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)

PROPOSALS FOR GRANTING OF GENERAL MANDATES TO REPURCHASE AND TO ISSUE NEW SHARES, RE-ELECTION OF DIRECTORS, CONTINUOUS APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS WHO HAVE SERVED FOR MORE THAN NINE YEARS, RE-APPOINTMENT OF AUDITORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM of Xiwang Special Steel Company Limited to be held at Meeting Room 313, 3/F., the Office Building of Xiwang Special Steel Company Limited, Xiwang Industrial Area, Xiwang Road, Handian Town, Zouping City, Shandong Province, the PRC at 10:30 a.m. on 30 June 2023 is set out on pages 17 to 22 of this circular. A form of proxy for use at the AGM (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.hkexnews.hk) and the Company (www.xiwangsteel.com).

If you are not able to attend the AGM, 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 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM 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 AGM of the Company:

- (1) No provision of refreshments or drinks;
- (2) No provision of corporate gifts; and
- (3) Other relevant requirements of the venue for holding the AGM.

To the extent permitted under applicable laws, the Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order for the safety of the attendees at the AGM. Shareholders are encouraged to appoint the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

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

2 June 2023

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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 Meeting Room 313, 3/F., the Office Building of Xiwang Special Steel Company Limited, Xiwang Industrial Area, Xiwang Road, Handian Town, Zouping City, Shandong Province, the PRC at 10:30 a.m. on 30 June 2023 to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 17 to 22 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
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted by the Shareholders 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
“Issue Mandate”	a general and unconditional mandate proposed to be granted by the Shareholders 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

DEFINITIONS

“Latest Practicable Date”	29 May 2023, 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
“Mr. WANG Yong”	WANG Yong (王勇), the father of Mr. WANG Di (former chairman and non-executive Director of the Company) and a controlling shareholder of the Company
“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 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
Xiwang Foodstuffs	Xiwang Foodstuffs Company Limited* (西王食品股份有限公司)
Xiwang Group Company	Xiwang Group Company Limited* (西王集團有限公司)
Xiwang Holdings	Xiwang Holdings Limited (西王控股有限公司)
Xiwang Investment	Xiwang Investment Company Limited (西王投資有限公司) (in liquidation)
Xiwang Metal Science	Xiwang Metal Science & Technology Company Limited* (西王金屬科技有限公司), a subsidiary of the Company

DEFINITIONS

“Xiwang Property” Xiwang Property Holdings Company Limited (西王置業控股有限公司*), a company listed on the main board of the Stock Exchange (stock code: 2088)

“%” per cent

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

* For identification purpose



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 (*Chairman and Chief Executive Officer*)
Mr. SUN Xihu
Mr. WANG Chaoqun

Registered office:

Unit 2110, 21/F., Harbour Centre
25 Harbour Road
Wanchai, Hong Kong

Independent non-executive Directors:

Mr. LEUNG Shu Sun Sunny
Mr. YU Kou
Mr. LI Bangguang

*Head office and principal place
of business in the PRC:*

Xiwang Industrial Area
Zouping
Shandong Province
China
256209

2 June 2023

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR
GRANTING OF GENERAL MANDATES TO
REPURCHASE AND TO ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS,
CONTINUOUS APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTORS
WHO HAVE SERVED FOR MORE THAN NINE YEARS,
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 grant to the Directors of the Share Repurchase Mandate, the Issue Mandate and the Extension Mandate; (ii) the proposed re-election of two executive Directors of the Company, namely, Mr. SUN Xihu and Mr. WANG Chaoqun and the continuous appointment of independent non-

LETTER FROM THE BOARD

executive Directors, namely, Mr. LEUNG Shu Sun Sunny and Mr. YU Kou; (iii) the proposed re-appointment of auditors of the Company; and (iv) the 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.

2. SHARE REPURCHASE MANDATE, ISSUE MANDATE AND EXTENSION MANDATE

At the annual general meeting of the Company held on 14 June 2022, general mandates were granted by the Shareholders to the Directors to repurchase Shares and issue new Shares respectively. Each of such mandates will lapse at the conclusion of the AGM. 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. As at the Latest Practicable Date, the total number of Shares in issue was 2,369,110,999. Assuming that the total number of Shares in issue remains unchanged on the date of the AGM, the Directors would be authorised under the Share Repurchase Mandate to repurchase (during the period in which the Share Repurchase Mandate remains in force) for 236,911,099 Shares.

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.

An ordinary resolution set out as resolution no. 6 in the notice of the AGM will also be proposed at the AGM to grant to the Directors the Extension Mandate to extend the Repurchase Mandate 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 in relation to the grant of the Share Repurchase Mandate and the Issue Mandate to the Directors.

The Share Repurchase Mandate, the Issue Mandate and the Extension 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 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.

With reference to the Share Repurchase Mandate, the Issue Mandate and the Extension Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any new Shares pursuant thereto.

LETTER FROM THE BOARD

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.

3. RE-ELECTION OF DIRECTORS AND CONTINUOUS APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS WHO HAVE SERVED FOR MORE THAN NINE YEARS

As at the Latest Practicable Date, the Board comprised three executive Directors, namely, Mr. ZHANG Jian, Mr. SUN Xihu, and Mr. WANG Chaoqun, and three independent non-executive Directors, namely, Mr. LEUNG Shu Sun Sunny, Mr. YU Kou and Mr. LI Bangguang.

According to the Articles, each of Mr. SUN Xihu and Mr. WANG Chaoqun shall retire from office and, being eligible, will offer themselves 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 Xihu, Mr. WANG Chaoqun, Mr. LEUNG Shu Sun Sunny and Mr. YU Kou as the Directors.

Pursuant to the code provision set out in paragraph B.2.3 of Part 2 of Appendix 14 of the Listing Rules, any further appointment of independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by shareholders.

As at the Latest Practicable Date, each of Mr. LEUNG Shu Sun Sunny and Mr. YU Kou had served as an independent non-executive Director for more than nine years.

Notwithstanding that each of Mr. LEUNG Shu Sun Sunny and Mr. YU Kou has served as independent non-executive Director for more than nine years, (i) the Board has assessed and reviewed the annual confirmations of independence based on the criteria set out in Rule 3.13 of the Listing Rules and affirmed that each of Mr. LEUNG Shu Sun Sunny and Mr. YU Kou remains independent; (ii) the nomination committee of the Company has assessed and is satisfied of the independence of each of Mr. LEUNG Shu Sun Sunny and Mr. YU Kou; and (iii) the Board considers that each of Mr. LEUNG Shu Sun Sunny and Mr. YU Kou remains independent of management and free of any relationship which could materially interfere with the exercise of their independent judgment. In view of the aforesaid factors and the fact that the skills, expertise, background, qualifications, experience and knowledge of the relevant individuals, the Board is of the opinion that such independent non-executive Directors will continue to bring benefits to the Group and would recommend Mr. LEUNG Shu Sun Sunny and Mr. YU Kou for re-election at the AGM.

A separate resolution to be approved by Shareholders was proposed to appoint each of Mr. YU Kou and Mr. LEUNG Shu Sun Sunny as independent non-executive Directors of the Company in order to comply with the code provision set out in paragraph B.2.3 of Part 2 of Appendix 14 of the Listing Rules.

Biographical and other details of the above Directors who offer themselves for re-election are set out in appendix II to this circular.

LETTER FROM THE BOARD

At the AGM, separate resolutions will be proposed to approve their respective re-election.

4. RE-APPOINTMENT OF THE AUDITORS

HLB Hodgson Impey Cheng Limited will retire as the auditors of the Company at the AGM and it has expressed its willingness to be re-appointed.

The audit committee of the Company recommended to the Board and the Board proposed to re-appoint HLB Hodgson Impey Cheng Limited 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 17 to 22 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.

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.hkexnews.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. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

7. 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, the continuous appointment of independent non-executive Directors who have served more than nine years 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 such repurchases of Shares will benefit the Company and the Shareholders as a whole. 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. 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 2022) 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 or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

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

8. 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
ZHANG Jian
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(2) 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 companies are listed and such stock exchange is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such companies must be fully paid up and all repurchase of shares by such companies 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 relevant time, lead to an enhancement of the net asset value per Share and/or the earnings per Share and will only be exercised when the Directors believe that such repurchase of Shares 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, the Companies Ordinance 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 2022) 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 or the gearing position of the Company 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\$
2022		
May	0.320	0.229
June	0.260	0.221
July	0.225	0.166
August	0.178	0.147
September	0.155	0.119
October	0.132	0.095
November	0.165	0.088
December	0.179	0.151
2023		
January	0.224	0.153
February	0.220	0.178
March	0.196	0.130
April	0.110	0.047
May (up to the Latest Practicable Date)	0.073	0.045

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.

To the best knowledge of the Directors, as at the Latest Practicable Date, Mr. WANG Yong, Xiwang Group Company, Xiwang Hong Kong Company Limited, Xiwang Holdings and Xiwang Investment were interested or deemed to be interested in 868,093,000 Shares, representing approximately 36.64% of the Shares carrying voting rights in issue. If the Share Repurchase Mandate were exercised in full, the interest or deemed interest of Mr. WANG Yong, Xiwang Group Company, Xiwang Hong Kong Company Limited, Xiwang Holdings and Xiwang Investment in the Company would be increased to approximately 40.7% of the Shares carrying voting rights in issue, therefore triggering an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Company was informed by a letter dated 21 March 2023 from the Official Receiver's Office of Hong Kong and came to the attention, amongst others, that: (i) a winding-up order was made on 20 March 2023 against Xiwang Investment; and (ii) the officer receiver of the Official Receiver's Office (the "**Official Receiver**") is now the provisional liquidator of Xiwang Investment.

The Company was also informed by the Official Receiver that he had the interest in the Shares held by Xiwang Investment and requested the Company to freeze the transfer of the said Shares without any written consent from the Official Receiver.

To the best knowledge of the Directors, as at the Latest Practicable Date, Haitong Securities Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 600837) and the Stock Exchange (stock code: 6837)), Haitong International Holdings Limited, Haitong International Securities Group Limited and Haitong International Finance Company Limited were interested or deemed to be interested in 849,875,000 Shares, representing approximately 35.87% of the Shares carrying voting rights in issue. If the Share Repurchase Mandate were exercised in full, the interest or deemed interest of Haitong Securities Co., Ltd., Haitong International Holdings Limited, Haitong International Securities Group Limited and Haitong International Finance Company Limited in the Company would be increased to approximately 39.8% of the Shares carrying voting rights in issue, therefore triggering an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as disclosed above, 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) during the six months immediately preceding the Latest Practicable Date.

The biographical details of each of the Directors who offer himself for re-election at the AGM are set out below:

EXECUTIVE DIRECTORS

Mr. SUN Xinqu

Mr. SUN, aged 49, 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 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 since December 2008 and re-designated as a non-executive director in July 2012. Mr. SUN has also been a director of Xiwang Foodstuffs, a company listed on 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 Xinqu has entered into a service agreement with the Company for a term of three years, subject to the Shareholders' approval of his re-election at the forthcoming AGM. Mr. SUN is also subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles. If re-elected, Mr. SUN will not receive any director's fee, but Mr. SUN may receive discretionary bonus or 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. Mr. SUN, being the director of Xiwang Metal Science, a subsidiary of the Company, will be entitled to an annual remuneration of approximately RMB550,000 (including salaries, bonuses and other benefits). As at the Latest Practicable Date, Mr. SUN did not have any interests in the Shares within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, Mr. SUN was interested in 89 shares of Xiwang Holdings and approximately 1.44% of equity interest in Xiwang Group Company within the meaning of Part XV of the SFO. Mr. SUN was interested in an option to subscribe for up to 3,000,000 shares of Xiwang Property.

Save as disclosed above, as at the Latest Practicable Date, Mr. SUN did 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.

Mr. WANG Chaoqun

Mr. WANG, aged 38, was appointed as an executive Director of the Company on 14 February 2023. Mr. WANG graduated from Qingdao Open University* (青島開放大學) (previously named Qingdao Radio and Television University* (青島廣播電視大學)) in 2007, majoring in business administration. Since May 2007, he has worked in Xiwang Metal Science. From November 2014 to August 2022, he has been a factory manager of Xiwang Metal Science. Since August 2022, he has been the deputy general manager of Xiwang Metal Science. Since January 2023, he has held directorship in several subsidiaries of the Company, including Xiwang Metal Science, Xiwang Special Steel Company Limited* (西王特鋼有限公司), Shandong Xiwang Recycling Resources Company Limited* (山東西王再生資源有限公司) and Zhongke Xiwang Special Steel Company Limited* (中科西王特鋼有限公司).

Mr. WANG has entered into a service agreement with the Company for a term of three years, subject to the Shareholders' approval of his re-election at the forthcoming AGM. Mr. WANG is also subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles. If re-elected, Mr. WANG will not receive any director's fee, but Mr. WANG may receive discretionary bonus or other form of remuneration as determined with reference to her performance, the remuneration policy of the Company and the prevailing market conditions from the Company. Mr. WANG will be entitled to a remuneration of approximately RMB300,000 per annum (inclusive of salary, bonus and other benefits) for his role as the deputy general manager of Xiwang Metal Science. As at the Latest Practicable Date, Mr. WANG did not have any interests in the Shares within the meaning of Part XV of the SFO.

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

INDEPENDENT NON-EXECUTIVE DIRECTORS**Mr. LEUNG Shu Sun Sunny**

Mr. LEUNG, aged 60, was appointed as an independent non-executive Director commencing from 23 February 2012. He is the chairman of the audit committee of the Board and a member of each of the nomination committee and the remuneration committee of the Board. He has over 20 years' working experience in, among other things, accounting, treasury management, budgeting and corporate finance. He is a fellow member of the Association of Chartered Certified Accountants, an associate member of the Hong Kong Institute of Certified Public Accountants and a member of Certified General Accountants' Association of Canada. Mr. LEUNG is an independent non-executive director of China Arts Financial Holdings Limited, a company listed on the Main Board of the Stock Exchange under stock code 1572, since October 2016. Mr. LEUNG is an independent non-executive director of Pan Asia Environmental Protection Group Limited, a company listed on the Main Board of the Stock Exchange under stock code 556, since December 2007. From 2005 to 2007, he served as the financial controller, qualified accountant and company secretary of Xiwang Property. From 2001 to date, he was a director of a company providing accounting, tax and corporate finance services. From 1999 to 2001, he held key finance position in a listed company in Hong Kong. From 1998 to 1999, he was a finance director of a company principally engaged in the provision of network infrastructure solutions. From 1993 to 1998, he was the financial controller of a company principally engaged in property investment, trading and securities. From 1987 to 1990, he had worked in international accounting firms, handling audit, tax and accounting matters. Mr. LEUNG received a professional diploma in accountancy from Hong Kong Polytechnic University in November 1994 and earned a master's degree in business administration, which is a long distance course from the University of South Australia in 1997.

Mr. LEUNG has entered into a service agreement with the Company for a term of three years, subject to the Shareholders' approval of his re-election at the forthcoming AGM. If re-elected, he will be entitled to an annual salary of HK\$150,000 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. LEUNG did not have any interests in the Shares within the meaning of Part XV of the SFO.

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

Mr. YU Kou

Mr. YU, aged 75, was appointed as an independent non-executive Director commencing from 23 February 2012. Mr. YU is a member of each of the audit committee, nomination committee and remuneration committee of the Board. 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 into a service agreement with the Company for a term of three years, subject to the Shareholders' approval of his re-election at the forthcoming AGM. If re-elected, he will be entitled to an annual salary of approximately 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.



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 Meeting Room 313, 3/F., the Office Building of Xiwang Special Steel Company Limited, Xiwang Industrial Area, Xiwang Road, Handian Town, Zouping City, Shandong Province, The People’s Republic of China at 10:30 a.m. on 30 June 2023 (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 2022.
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 Chaoqun as an executive Director;
 - (c) to re-elect Mr. LEUNG Shu Sun Sunny (who has served for more than nine years) as an independent non-executive Director;
 - (d) to re-elect Mr. YU Kou (who has served for more than nine years) as an independent non-executive Director; and
 - (e) to authorise the board of Directors to fix the Directors’ remuneration.
3. To consider and approve the re-appointment of HLB Hodgson Impey Cheng Limited as auditors of the Company and to authorise the board of Directors to fix their remuneration.

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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.”

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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,

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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).”

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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 5 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
ZHANG Jian
Chairman

Hong Kong, 2 June 2023

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
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.
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

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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 Monday, 26 June 2023 to Friday, 30 June 2023 (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 Friday, 23 June 2023.
6. As at the date of this Notice, the executive directors of the Company are Mr. ZHANG Jian, Mr. SUN Xinqu and Mr. WANG Chaoqun, 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. Precautionary measures for the annual general meeting:

Please see cover page of the circular of the Company dated 2 June 2023 for measures being taken to try to prevent and control the spreading of the coronavirus disease (COVID-19) at the annual general meeting, including: (1) no provision of refreshments or drinks; and (2) no provision of corporate gifts and; (3) other relevant requirements of the venue for holding the Meeting.

To the extent permitted under applicable laws, the Company reserves the right to deny entry into the Meeting venue or require any person to leave the Meeting venue in order for the safety of the attendees at the Meeting. Shareholders are encouraged to appoint the chairman of the Meeting as their proxy to vote on the relevant resolutions at the Meeting instead of attending the Meeting in person.