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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 NEW PRODUCTION LINE AND NEW PRODUCT**

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

The board of directors (the “**Directors**”) of the Company (the “**Board**”) is pleased to announce that the Company invests RMB2.55 billion to establish a new production line, which is capable of producing 700,000 tonnes of rail steel, 150,000 tonnes of railway billet and 150,000 tonnes of figured steel per annum. This development project will be carried out in two phases, with the first phase scheduled to be completed in 2018, and the second phase scheduled to be completed in 2020. When the first phase is completed, the designed production capacity of the new production line is expected to be 300,000 tonnes of rail steel and 150,000 tonnes of railway billet per annum.

The Group has been cooperating with the Institute of Metal Research, Chinese Academy of Sciences (中國科學院金屬研究所) and develops a new rail steel material characterised with a high level of strength and toughness as well as a low level of alloy. This material adopts the LF+VD refinement process and utilises the advanced technology of argon airtight protection casting, which can effectively minimise the level of unreliable gas while improving the overall performances including strength, toughness, etc. When the new material is used on rail steel, the increased strength and resistance can improve the durability of the rail steel by around 40% to 50% according to the internal research conducted by the Company.

The Group expects that its revenue could be increased substantially when the new production line is put into full operation and the new products are put into use widely.

**Shareholders and potential investors of the Company are advised to be cautious when dealing in the shares of the Company.**

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

Hong Kong, 10 April 2017

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

*Executive Directors*

Mr. ZHANG Jian

Mr. SUN Xihu

Ms. LI Hai Xia

*Independent non-executive Directors*

Mr. LEUNG Shu Sun Sunny

Mr. LI Bangguang

Mr. YU Kou

*Non-executive Directors*

Mr. WANG Di

Mr. WANG Yong