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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)

ISSUE OF CONVERTIBLE BOND
UNDER GENERAL MANDATE

(1) THE CONVERTIBLE BOND SUBSCRIPTION AGREEMENT

The Board is pleased to announce that on 22 September 2017 (after trading hours), the Company entered into the Convertible Bond Subscription Agreement with the Guarantor and the Subscribers pursuant to which the Subscribers conditionally agreed to subscribe, and the Company conditionally agreed to issue the Convertible Bond in an aggregate principal amount of US\$30,000,000.

The conversion price is initially HK\$1.91 per Conversion Share, subject to adjustments in accordance with the Conditions. The Conversion Price represents: (a) a premium of approximately 20.13% over the closing price of HK\$1.59 per Share as quoted on the Stock Exchange on the date of signing the Convertible Bond Subscription Agreement; (b) a premium of approximately 20.13% over the average of the closing prices of HK\$1.59 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares up to and including the date of signing the Convertible Bond Subscription Agreement; and (c) a premium of approximately 13.69% over the average of the closing prices of HK\$1.68 per Share as quoted on the Stock Exchange for the last ten consecutive trading days of the Shares up to and including the date of signing the Convertible Bond Subscription Agreement. The Directors (including the independent non-executive Directors) are of the opinion that the Conversion Price for the issuance of the Conversion Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company intends to use the entire amount of the net proceeds from the issue of the Convertible Bond as general working capital of the Group.

(2) THE PLACING AGREEMENT

On 22 September 2017 (after trading hours of the Stock Exchange), the Company and Placing Agent entered into the Placing Agreement pursuant to which the Company has agreed to place, through the Placing Agent, the Convertible Bond to Subscribers in an aggregate principal amount of US\$30,000,000. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and their respective connected persons.

(3) THE GUARANTEE

The Convertible Bonds will be secured by the Guarantee provided by the Guarantor. As the Guarantor is a director who is also a controlling shareholder of the Company, the provision of the Guarantee constitutes a connected transaction in the form of financial assistance from the connected person in favour of the Group. As (i) the Company will not provide any security to the Guarantor for the Guarantee; and (ii) the Directors consider that the Guarantee is on normal commercial terms or better, the Guarantee is fully exempt from the reporting, announcement, circular, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

LISTING RULES IMPLICATIONS

By a resolution of the Shareholders passed at the annual general meeting of the Company held on 16 June 2017, the Company granted the General Mandate to the Directors to allot and issue up to 20% of the total number of Shares of the Company in issue on 16 June 2017, i.e. 401,333,333 Shares. On 14 September 2017, the Company entered into a subscription and placing agreement with Xiwang Investment Company Limited and Guotai Junan Securities (Hong Kong) Limited under which 100,000,000 Shares would be issued to Xiwang Investment Company Limited pursuant to the General Mandate, if all conditions precedent are satisfied (which have not been satisfied as at the date of this announcement). Please refer to the announcement of the Company dated 14 September 2017 for further details. As of the date of this announcement, the Directors has not exercised the power to allot and issue any new Shares pursuant to the General Mandate and the Directors are entitled to issue up to 401,333,333 Shares pursuant to the General Mandate. It is intended that the Conversion Shares will be allotted and issued under the General Mandate.

The Convertible Bond and the Conversion Shares will be issued pursuant to authority conferred upon the Directors under the General Mandate granted on 16 June 2017.

As Completion is subject to the fulfillment of a number of conditions precedent, the transaction may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

On 22 September 2017 (after trading hours), the Company entered into the Convertible Bond Subscription Agreement with the Guarantor and the Subscribers pursuant to which the Subscribers conditionally agreed to subscribe, and the Company conditionally agreed to issue the Convertible Bond in an aggregate principal amount of US\$30,000,000.

Details of the terms of the Convertible Bond Subscription Agreement and the Convertible Bond are summarised below.

THE CONVERTIBLE BOND SUBSCRIPTION AGREEMENT

Date

22 September 2017

Parties

- (i) the Company;
- (ii) the Guarantor; and
- (iii) the Subscribers.

The Subscribers are (i) Haitong Global Investment SPC III acting on behalf of and for the account of Haitong Dynamic Multi-Tranche Investment Fund II S.P., an exempted company incorporated with limited liability under the laws of Cayman Islands; and (ii) Blooming Global Fund, a company incorporated with limited liability under the laws of Cayman Islands.

Subscription of the Convertible Bond

Subject to the terms and conditions of the Convertible Bond Subscription Agreement, the Company agrees to issue and the Subscribers agree to, subject to satisfaction of the Conditions Precedent, subscribe in cash for the Convertible Bond of an aggregate principal amount of US\$30,000,000.

Conditions Precedent

The obligations of the Subscribers to subscribe for the Convertible Bond are subject to, among others, the following conditions precedent:

- (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange;
- (b) the Company and the Guarantor having delivered to the Subscribers all of the documents specified in the Convertible Bond Subscription Agreement; and
- (c) no occurrence of any change (nor any development or event involving a prospective change) in the financial or business condition, prospects, results of operations or general affairs of the Company and the Group taken as a whole, which is material and adverse in the context of the issue of the Convertible Bond.

If any of the conditions precedent above have not been satisfied or waived by the Subscribers on or prior to the Closing Date, the Subscribers may, by written notice to the Company, terminate the Convertible Bond Subscription Agreement pursuant to the terms and conditions set out therein.

The Company shall use its best endeavours to procure the fulfilment of all the conditions set forth in the Convertible Bond Subscription Agreement as soon as possible.

THE PLACING AGREEMENT

On 22 September 2017 (after trading hours of the Stock Exchange), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place, on a best efforts basis, the Convertible Bond in an aggregate principal amount of US\$30,000,000 to the Subscribers and will receive a placing commission of 2.2% of the aggregate principal amount of the Convertible Bond being placed.

The Directors (including the independent non-executive Directors) are of the view that the placing commission abovementioned is fair and reasonable, taking into account the current market condition.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and their respective connected persons.

THE GUARANTEE

Pursuant to the Subscription Agreement, the Guarantor shall execute and deliver the Guarantee before the Closing Date under which the Guarantor unconditionally and irrevocably guarantees, among others, the due and punctual payment payable under the Convertible Bond Subscription Agreement and the performance and observance by the Company of all of its obligations under or pursuant to the Convertible Bond Subscription Agreement, the Convertible Bond and the Bond Instrument. The granting of the Guarantee in favour of the Subscribers constitutes financial assistance given by the Guarantor for the benefit of the Group under the Listing Rules. As the Guarantor is a Director who is also controlling shareholder of the Company, the proposed financial assistance constitutes a connected transaction for the Company under the Listing Rules. As (i) the Company will not provide any security to the Guarantor for the Guarantee; and (ii) the Directors consider that the Guarantee is on normal commercial terms or better, the Guarantee is fully exempt from the reporting, announcement, circular, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

Closing

Closing shall take place on 9 October 2017 after fulfilment of the Conditions Precedent (or such other time and date as the Subscribers and the Company may agree in writing).

PRINCIPAL TERMS OF THE CONVERTIBLE BOND

Principal Amount

US\$30,000,000

Form

The Convertible Bond will be issued in registered form.

Interest

The Convertible Bonds shall bear interest from and including the date of issue of the Convertible Bonds to the Maturity Date at the rate of seven point five per cent (7.5%) per annum payable every six months in arrears.

Status

The Convertible Bond constitutes direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligation of the Company shall, save for such exceptions as may be provided by mandatory provisions of applicable laws, at all times rank at least equally with all of the Company's other present and future unsecured and unsubordinated obligations. The payment obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

Maturity Date

The Convertible Bond will mature on the date falling on the second anniversary of the date of issuance of the Convertible Bond.

Conversion Rights

Subject to the terms contained in the Convertible Bond, the Subscribers shall have the right to convert all or part of the Convertible Bonds held by them (if in part, the principal amount of the Convertible Bonds to be converted shall be in the minimum amount of US\$100,000) into Shares credited as fully paid at any time during the Conversion Period.

Conversion Price

The conversion price is initially HK\$1.91 per Conversion Share, subject to adjustments in accordance with the Conditions.

The Conversion Price represents:

- (a) a premium of approximately 20.13% over the closing price of HK\$1.59 per Share as quoted on the Stock Exchange on the date of signing the Convertible Bond Subscription Agreement;
- (b) a premium of approximately 20.13% over the average of the closing prices of HK\$1.59 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares up to and including the date of signing the Convertible Bond Subscription Agreement; and
- (c) a premium of approximately 13.69% over the average of the closing prices of HK\$1.68 per Share as quoted on the Stock Exchange for the last ten consecutive trading days of the Shares up to and including the date of signing the Convertible Bond Subscription Agreement.

The Directors (including the independent non-executive Directors) are of the opinion that the Conversion Price for the issuance of the Conversion Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Adjustments to the Conversion Price

The Conversion Price shall be adjusted as provided in each of the following cases:

- (a) an alteration to the nominal value of the Shares as a result of consolidation or subdivision or reclassification;
- (b) an issue of Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account);
- (c) a capital distribution being made by the Company to the Shareholders;
- (d) right issues of Shares or options over Shares at less than 95% of the then current market price;
- (e) right issues of other securities;
- (f) issues of any Shares or options, warrants or other rights to subscribe or purchase Shares at less than 95% of the then current market price;

- (g) other issues of any securities carrying rights of conversion into Shares at less than 95% of the then current market place;
- (h) modification of rights of conversion;
- (i) other offers of securities to Shareholders; and
- (j) other events as the Company determines that an adjustment shall be made as determined by an independent bank of international repute.

Any adjustment to the Conversion Price shall not involve an increase in the Conversion Price (except in the case to correct an error).

Conversion Shares

The number of Conversion Shares to be issued on exercise of a Conversion Right shall be determined by dividing the US\$ principal amount of the Convertible Bond to be converted (translated into Hong Kong dollars at the fixed exchange rate of US\$1.00 = HK\$7.8) by the Conversion Price in effect on the relevant Conversion Date.

Based on the initial Conversion Price and on full conversion of the Convertible Bond, a maximum number of 122,513,089 Conversion Shares will be allotted and issued by the Company represent approximately 6.10% of the existing issued share capital of the Company and 5.75% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. No fraction of a Conversion Share shall be issued on conversion and no cash adjustments shall be made in respect thereof.

The Conversion Shares shall be allotted and issued pursuant to the General Mandate.

Conversion Period

The Bondholder shall be entitled to exercise the Conversion Right during the Conversion Period.

Transferability

The Convertible Bond is transferable subject to, inter alia, (i) the Convertible Bond cannot be transferred to any connected persons of the Company without prior approval from the Company; and (ii) the principal amount of the Convertible Bond transferred is in the denomination of US\$100,000 each and integral multiples of US\$1,000 in excess thereof.

Redemption on Maturity

Unless previously redeemed, converted, purchased or cancelled, the Company will redeem the Convertible Bond at the Redemption Amount together with any accrued but unpaid interest and default interest (if applicable) on the Maturity Date.

Redemption on an Event of Default

If an event of default occurs and is continuing, the Subscribers may give written notice to the Company for a mandatory redemption by the Company at the mandatory redemption amount as specified in the Conditions together with accrued and unpaid interest and default interest (if applicable). An event of default includes, *inter alia*, the following:

- (a) there is a default in the payment of any principal or interest or premium due in respect of the Convertible Bond;
- (b) the Company or the Guarantor does not perform or comply with one or more of its other warranties, covenants or obligations in the Convertible Bond, and if such default is capable of remedy, not be remedied within thirty days after written notice of such default has been given;
- (c) failure by the Company to deliver any Shares as and when such Shares are required to be delivered following conversion of Convertible Bond;
- (d) the Company or the Guarantor is insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts;
- (e) it is or will become unlawful for the Company or the Guarantor to perform or comply with anyone or more of its obligation under the Convertible Bond or Guarantee;
- (f) there is material adverse change to the business, financial condition or operations of the Company or any of its subsidiaries; and
- (g) the Company sells, disposes or transfers its assets without the prior written consent of the Bondholders (other than sales or trading in the ordinary course of business).

Redemption for Change of Control

Upon the occurrence of certain events, including that the Guarantor ceases to own (directly or indirectly) fifty percent (50%) or more of the voting rights of the issued share capital of the Company, each Bondholder has the right at its option to require the Company to redeem all of the Convertible Bond at a price equal to the principal amount together with interest accrued to the date fixed for redemption.

Listing

The Convertible Bond will not be listed on the Stock Exchange or any other stock exchange.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Conversion Shares.

EFFECT OF SUBSCRIPTION OF SHAREHOLDINGS

To the best knowledge of the Directors and the Company assuming that no other Shares will be issued, (i) the shareholding structure of the Company as at the date of this announcement; and (ii) the shareholding structure of the Company assuming full exercise of the Conversion Rights are as below:

| Shareholders | Notes | As at the date of this announcement | | Immediately after full conversion of the Convertible Bond at the Conversion Price (Note 4) | |
|----------------------------|-------|--|---------------|---|---------------|
| | | Number of Shares | Approx. % | Number of Shares | Approx. % |
| Directors | | | | | |
| Wang Yong | 1 | 1,400,000,000 | 69.66 | 1,400,000,000 | 65.66 |
| Wang Di | 2 | 6,000,000 | 0.30 | 6,000,000 | 0.28 |
| Sun Xihu | 3 | 1,000,000 | 0.05 | 1,000,000 | 0.05 |
| Public Shareholders | | | | | |
| Subscribers | | – | – | 122,513,089 | 5.75 |
| Public Shareholders | | 602,666,666 | 29.99 | 602,666,666 | 28.26 |
| Total | | <u>2,009,666,666</u> | <u>100.00</u> | <u>2,132,179,755</u> | <u>100.00</u> |

Notes:

1. Pursuant to the subscription and placing agreement entered into by the Company, Xiwang Investment Company Limited and Guotai Junan Securities (Hong Kong) Limited dated 14 September 2017, the number of Shares would be increased to 1,500,000,000 after completion of the Top-up Subscription. These shares are registered in the name of Xiwang Investment Company Limited and Wang Yong is deemed to be interested in 1,400,000,000 Shares held by Xiwang Investment Company Limited.
2. Wang Di personally holds 6,000,000 Shares.
3. Sun Xihu personally holds 1,000,000 Shares.
4. Assuming that the shareholding structure of the Company has not changed after the date of this announcement and immediately upon Closing and before full conversion of the Convertible Bond.

REASONS FOR THE CONVERTIBLE BOND ISSUE AND USE OF PROCEEDS

The Directors consider raising funds by issuing the Convertible Bond is justifiable considering the recent market conditions which represent an opportunity for the Group to enhance its working capital and strengthen its financial position for financing the expansion of the steel production business.

The Directors also consider that the issue of the Convertible Bond is an appropriate means of raising additional capital for the Group since it will not have an immediate dilution effect on the shareholding of the existing Shareholders and if the Conversion Right is exercised, the shareholder base of the Company will be broadened. The Directors consider that the terms of the Convertible Bond Subscription Agreement, which were arrived at after arm's length negotiations between the Company and the Subscribers, are fair and reasonable and are in the interests of the Company and the Shareholder as a whole.

The net proceeds of approximately US\$29,140,000 from the issue of the Convertible Bond will be used as the general working capital of the Group.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

On 14 September 2017, the Company entered into a subscription and placing agreement with Xiwang Investment Company Limited and Guotai Junan Securities (Hong Kong) Limited, pursuant to which (i) the Xiwang Investment Company Limited has agreed to place, through Guotai Junan Securities (Hong Kong) Limited, 100,000,000 Shares to not fewer than six places who and whose ultimate beneficial owners will not be connected person(s) of the Company at HK\$1.51 per Share; and (ii) Xiwang Investment Company Limited has agreed to subscribe for 100,000,000 shares at HK\$1.51 per Share of the Company ("**Top-up Subscription**"). The proposed aggregate gross and net proceeds to be raised from the Top-up Subscription will be approximately HK\$151 million and approximately HK\$147 million, respectively. The Company intends to utilise the net proceeds from the Top-up Subscription for general working capital. The Top-up Subscription has not been completed and no equity fund has been raised by the Company in respect of the Top-Up Subscription as of the date of this announcement. Please refer to the announcement of the Company dated 14 September 2017 for further details.

Save as disclosed above, the Company has not conducted any other fund raising activities in the past twelve months before the date of this announcement.

INFORMATION ON THE SUBSCRIBERS

The Subscribers are (i) Haitong Global Investment SPC III acting on behalf of and for the account of Haitong Dynamic Multi-Tranche Investment Fund II S.P., an exempted company incorporated with limited liability under the laws of Cayman Islands and (ii) Blooming Global Fund, a company incorporated with limited liability under the laws of Cayman Islands.

As at the date of this announcement, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscribers and its ultimate beneficial owner(s) are Independent Third Parties.

INFORMATION ON THE GROUP

The Group is a leading high-end special steel manufacturer located in Shandong Province of the PRC. Our products consist of ordinary steel that is primarily used in buildings and infrastructures, as well as special steel that is used in automobile, shipbuilding, chemical and petrochemical, machinery and equipment sectors.

LISTING RULES IMPLICATIONS

By a resolution of the Shareholders passed at the annual general meeting of the Company held on 16 June 2017, the Company granted the General Mandate to the Directors to allot and issue up to 20% of the total number of Shares of the Company in issue on 16 June 2017, i.e. 401,333,333 Shares. On 14 September 2017, the Company entered into a subscription and placing agreement with Xiwang Investment Company Limited and Guotai Junan Securities (Hong Kong) Limited under which 100,000,000 Shares would be issued to Xiwang Investment Company Limited pursuant to the General Mandate, if all conditions precedent are satisfied (which have not been satisfied as at the date of this announcement). Please refer to the announcement of the Company dated 14 September 2017 for further details. The Directors has not exercised the power to allot and issue any new Shares pursuant to the General Mandate. As at the date of this announcement, the Directors are entitled to issue up to 401,333,333 Shares pursuant to the General Mandate. It is intended that the Conversion Shares will be allotted and issued under the General Mandate.

The Convertible Bond and the Conversion Shares will be issued pursuant to authority conferred upon the Directors under the General Mandate granted 16 June 2017.

As Completion is subject to the fulfillment of a number of conditions precedent, the transaction may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

| | |
|------------------------|---|
| “Board” | the board of Directors of the Company |
| “Bond Register” | the register of holders of the Convertible Bond which shall be maintained by the Company in accordance with the Conditions |
| “Bondholder” | any person for the time being entered in the Bond Register as the holder of the Convertible Bond |
| “Bond Instrument” | the instrument to be executed by way of deed poll by the Company constituting the Convertible Bond substantially in the form set out in the Convertible Bond Subscription Agreement |
| “Business Day” | a day other than a Saturday and Sunday on which commercial banks are opened for business in Hong Kong |
| “Closing” | the closing of the subscription and issue of the Convertible Bond |
| “Closing Date” | 9 October 2017 (or such later date as may be agreed between the Subscribers and the Company) |
| “Company” | Xiwang Special Steel Company Limited* (西王特鋼有限公司) (Stock Code: 1266), a company incorporated in Hong Kong with limited liability on 6 August 2007 and the shares of which are listed on the main board of the Stock Exchange |
| “Conditions” | means the terms and conditions to the Convertible Bond to be attached to the Bond Instrument substantially in the form set out in the Convertible Bond Subscription Agreement |
| “Conditions Precedent” | means the conditions precedent set out in the Convertible Bond Subscription Agreement |
| “Connected persons” | has the meaning ascribed to it in the Listing Rules |

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|---|---|
| “Conversion Period” | subject to the terms and conditions of the Convertible Bond Subscription Agreement, the period commencing from the issuance date of the Convertible Bond to the close of business on the tenth day before the Maturity Date |
| “Conversion Price” | the price at which the Conversion Shares will be issued upon the exercise of the Conversion Right under the Convertible Bond, which is initially at HK\$1.91 per Conversion Share, subject to adjustments in accordance with the Conditions |
| “Conversion Right” | means the right of the Bondholder to convert any Convertible Bond into fully paid Shares pursuant to the Conditions |
| “Conversion Shares” | new Shares which are fully paid, unencumbered, duly authorised and validly issued by the Company on conversion of the Convertible Bond |
| “Convertible Bond” | each convertible bond issued pursuant to the Convertible Bond Subscription Agreement which shall be in the principal amount stated on the certificate for such convertible bond |
| “Convertible Bond Subscription Agreement” | the conditional subscription agreement dated 22 September 2017 entered into between the Company, the Guarantor and the Subscribers relating to the subscription of the Convertible Bond by the Subscribers |
| “Director(s)” | director(s) of the Company |
| “Event of Default” | the event of default as specified in the Conditions |
| “General Mandate” | means the general mandate granted to the Directors to allot and issue up to 20% of the total number of Shares of the Company in issue on 16 June 2017, by a resolution of the Shareholders passed at the annual general meeting of the Company held on 16 June 2017 |

| | |
|--------------------------------|--|
| “Guarantee” | the guarantee executed by the Guarantor pursuant to the terms of the Convertible Bond Subscription Agreement |
| “Guarantor” | Mr. Wang Yong, a Director and controlling shareholder of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party(ies)” | a third party independent of the Company and the connected persons (as defined in the Listing Rules) of the Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Maturity Date” | the date falling on the second anniversary of the date of issuance of the Convertible Bond |
| “Placing Agent” | SBI China Capital Financial Services Limited, a licensed corporation to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Placing Agreement” | the agreement dated 22 September 2017 entered into between the the Company and the Placing Agent in relation to the placing of the Convertible Bond |
| “PRC” | the People’s Republic of China excluding Hong Kong, the Macau Special Administration Region of the PRC and Taiwan for the purpose of this announcement |
| “Redemption Amount” | the outstanding principal amount of the Convertible Bond |
| “RMB” | Renminbi, the lawful currency of the PRC |

| | |
|------------------|--|
| “Share(s)” | ordinary share(s) of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscribers” | Haitong Global Investment SPC III acting on behalf of and for the account of Haitong Dynamic Multi-Tranche Investment Fund II S.P. and Blooming Global Fund. |
| “Subscription” | the subscription of the Convertible Bond by the Subscribers in accordance with the terms of the Convertible Bond Subscription Agreement |
| “Takeovers Code” | the Code on Takeovers and Mergers and Share Buybacks in Hong Kong |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “%” | per cent. |

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

Hong Kong, 22 September 2017

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

Executive Directors

Mr. ZHANG Jian
Mr. SUN Xinqu
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

* *For identification purpose only*