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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 APPROVED SUPPLIER FOR LZ50 STEEL AXLE BILLETS

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).

Reference is made to the announcement of the Company dated 31 May 2017 (the “**Announcement**”), which disclosed that the LZ50 steel axle billets manufactured by the Company satisfied the “GHC’s Industrial Product Certification Rules”, and was awarded the product accreditation certificate in May 2017. It therefore demonstrated that the Company possesses the quality assurance capabilities to manufacture LZ50 steel axle billet.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Company has received two accreditation notices (the “**Notices**”) issued by the China Railway Test and Certification Centre (the “**CRCC**”) on 4 January 2018 and 11 January 2018, respectively. The CRCC has confirmed that the Company was approved as a supplier to supply LZ50 (RD2 and RE2B) steel axle billets to Zhongche Changjiang Tongling Vehicle Limited and Zhongche Shenyang Jiche Vehicle Limited.

On 7 November 2017 and 20 November 2017, each of Zhongche Changjiang Tongling Vehicle Limited and Zhongche Shenyang Jiche Vehicle Limited has submitted an application to include the Company as its supplier of LZ50 (RD2 and RE2B) steel axle billets. On 4 January 2018 and 11 January 2018, the CRCC has issued the Notices to Zhongche Changjiang Tongling Vehicle Limited and Zhongche Shenyang Jiche Vehicle Limited, respectively, confirming that the Company was approved as a supplier to supply LZ50 (RD2 and RE2B) steel axle billets manufactured by the Company to Zhongche Changjiang Tongling Vehicle Limited and Zhongche Shenyang Jiche Vehicle Limited.

As disclosed in the Announcement, when the Company received the product accreditation in May 2017, the Company started to supply exported steel axle billets to subsidiaries of CRCC Corporation Limited (which product does not require supplier accreditation). The newly accredited RD2 and RE2B axle billets are the designated axle billets used in the national railway vehicles, and also the axle billets demanded by truck vehicles in the PRC at the largest volume. Upon the issuance of the Notices, the supply capabilities of LZ50 axle billets manufactured by the Company to Zhongche Changjiang Tongling Vehicle Limited and Zhongche Shenyang Jiche Vehicle Limited has expanded from previously the axle billets for exported trucks and trucks at factory and mine only to RD2 and RE2B axle billets for the national railway and truck vehicles. The Company expects that the RD2 and RE2B steel axle billets manufactured by the Company will be able to expand the revenue sources of the Company.

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
Xiawang Special Steel Company Limited
Wang Di
Chairman

Hong Kong, 14 February 2018

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