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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)**

### **ADJUSTMENT TO CONVERSION PRICE OF THE CONVERTIBLE BONDS**

The Company announces that the Conversion Price of the Bonds will be adjusted from HK\$1.91 per Share to HK\$1.72 per Share with effect from 25 June 2018 as a result of the declaration of the final dividend of RMB13 cents per Shares (approximately HK\$16 cents per Share) for the year ended 31 December 2017.

Reference is made to the announcement of the Company dated 22 September 2017 in relation to the issue of US\$30,000,000 7.5% Convertible Bonds due 2019 (the “**CB Announcement**”) and the announcement of the Company dated 23 March 2018 in relation to the annual results of the Company for the year ended 31 December 2017. Capitalised terms used in this announcement shall have the same meanings as those defined in the CB Announcement unless the context otherwise requires.

On 23 March 2018, the Board had declared a final dividend of RMB13 cents per Shares (approximately HK\$16 cents per Share) for the year ended 31 December 2017 (the “**Final Dividend**”). The Final Dividend will be payable on or about 25 June 2018 to Shareholders whose names appear on the register of members of the Company as at the close of business on 12 June 2018.

Notice is given that, pursuant to the provisions of the adjustments to the Conversion Price as stated in the terms and conditions of the Convertible Bonds (the “**Conditions**”), the Conversion Price, currently HK\$1.91 per Share, will be adjusted to HK\$1.72 per Share (the “**Adjustment**”) as a result of the declaration of the Final Dividend.

All other terms of the Convertible Bonds, including conversion arrangements, remain unchanged. The Adjustment will become effective from 25 June 2018, being the day the Final Dividend is made. The Adjustment has been computed in accordance with Condition 5.4(c) of the Conditions.

As at the date of this announcement, the total outstanding principal amount of the Convertible Bonds is US\$30,000,000. The Convertible Bonds entitle the holders of the Convertible Bonds to convert into 122,513,089 new Shares before the Adjustment and 136,046,511 new Shares after the Adjustment. The additional 13,533,422 Conversion Shares will be issued pursuant to the General Mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 16 June 2017. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the additional Conversion Shares on the Stock Exchange in due course.

**Any holder of the Convertible Bonds who is in doubt as to the action to be taken should consult his/her/its stockbroker, bank manager, solicitor, professional accountant or other professional adviser.**

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

Hong Kong, 11 June 2018

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