

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**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 or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---

**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 SHARES AND TO ISSUE NEW SHARES,  
RE-APPOINTMENT OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

---

A notice convening the annual general meeting of Xiwang Special Steel Company Limited to be held at Monaco Room, Basement 1, Regal HongKong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong at 9:30 a.m. on Friday, 29 May 2015 is set out on pages 20 to 24 of this circular. A form of proxy for use at the annual general meeting (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.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.xiwangsteel.com](http://www.xiwangsteel.com)).

If you are not able to attend the annual general meeting, 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, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting if you so wish.

27 April 2015

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
 <b>LETTER FROM THE BOARD</b>	
1    INTRODUCTION .....	4
2    SHARE REPURCHASE MANDATE, ISSUE MANDATE AND EXTENSION MANDATE .....	5
3    RE-APPOINTMENT OF DIRECTORS .....	6
4    AGM AND PROXY ARRANGEMENT .....	6
5    RECOMMENDATION .....	7
6    GENERAL INFORMATION .....	7
 <b>APPENDIX I – EXPLANATORY STATEMENT ON THE SHARE                     REPURCHASE MANDATE</b> .....	
	8
 <b>APPENDIX II – DETAILS OF DIRECTORS SUBJECT TO                     RE-APPOINTMENT</b> .....	
	12
 <b>NOTICE OF AGM</b> .....	 20

---

## 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 Monaco Room, Basement 1, Regal HongKong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong at 9:30 a.m. on Friday, 29 May 2015 to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 20 to 24 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
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors in the manner as set out in resolution no. 7 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

---

## DEFINITIONS

---

“Issue Mandate”	a general and unconditional mandate proposed to be granted 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. 6 in the notice of AGM
“Latest Practicable Date”	23 April 2015, 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
“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 HK\$0.10 each in the capital 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. 5 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 in Hong Kong

---

## DEFINITIONS

---

“Xiwang Group”	Xiwang Group Company Limited (西王集團有限公司), a company established in the PRC with limited liability, which was the Company’s ultimate holding company. Xiwang Group was owned as to 66.14% by Mr. WANG Yong and remaining 33.86% by 23 individuals. Further, these 23 individuals are accustomed to act in accordance with the directions of Mr. WANG Yong in respect of the exercise by such 23 individuals of their voting powers as a shareholder of Xiwang Group. Accordingly, Mr. WANG Yong is deemed to be interested in all the shares of the Company in which Xiwang Group is interested
“Xiwang Hong Kong”	Xiwang Hong Kong Company Limited, a company incorporated in Hong Kong with limited liability on 1 April 2006, a wholly-owned subsidiary of Xiwang Group
“Xiwang Holdings”	Xiwang Holdings Limited, a company incorporated in the British Virgin Islands with limited liability on 9 February 2004 which was owned as at the Latest Practicable Date as to 95% directly by Xiwang Hong Kong and as to 5% directly by Mr. WANG Yong and 23 individual, Xiwang Holdings Limited is also the sole shareholder of Xiwang Investment
“Xiwang Investment”	Xiwang Investment Company Limited, a company incorporated in the British Virgin Islands with limited liability on 27 January 2005, a wholly-owned subsidiary of Xiwang Holdings and a controlling shareholder (as defined under the Listing Rules) of the Company

---

## LETTER FROM THE BOARD

---



# 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. WANG Hui (*Chief Executive Officer*)  
Mr. JIANG Chang Lin  
Mr. SUN Xihu

*Non-executive Directors:*

Mr. WANG Yong  
Mr. WANG Di (*Chairman*)  
Ms. LI Yiyi

*Independent non-executive Directors:*

Mr. LEUNG Shu Sun Sunny  
Mr. LIU Xiangning  
Mr. YU Kou

*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 County  
Shandong Province  
China  
256209

27 April 2015

*To the Shareholders*

Dear Sir/Madam,

**PROPOSALS FOR  
GRANTING OF GENERAL MANDATES TO  
REPURCHASE SHARES AND TO ISSUE NEW SHARES,  
RE-APPOINTMENT OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

### **1. INTRODUCTION**

The purpose of this circular is to provide you with information in respect of (i) the granting to the Directors of the Share Repurchase Mandate, the Issue Mandate and the Extension Mandate; (ii) the proposed re-appointment of the one executive Directors of the Company, namely, Mr. SUN Xihu; three non-executive Directors of the Company, namely, Mr. WANG Yong, Mr. WANG Di and Ms. LI Yiyi; three independent non-executive Directors, namely, Mr. LEUNG Shu Sun Sunny, Mr. LIU Xiangming and Mr. YU Kou; and (iii) to give you 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.

---

## LETTER FROM THE BOARD

---

### 2. SHARE REPURCHASE MANDATE, ISSUE MANDATE AND EXTENSION MANDATE

At the annual general meeting of the Company held on 22 May 2014, general mandates were granted to the Directors to repurchase Shares and issue new Shares respectively. Each of such mandates will lapse at the conclusion of the annual general meeting. 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. 5 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.

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 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. Such Issue Mandate will be extended by the passing of a separate resolution set out as resolution no. 7 in the notice of the AGM 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. 5 and 6 in the notice of the AGM to grant the Share Repurchase Mandate and the Issue Mandate to the Directors.

The Share Repurchase Mandate and Issue Mandate, if approved at the AGM, will continue in force until the conclusion of the next annual general meeting of the Company or 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 or the passing of an ordinary resolution by Shareholders revoking or varying the authority given to the Directors, whichever occurs first.

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

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.

---

## LETTER FROM THE BOARD

---

### 3. RE-APPOINTMENT OF DIRECTORS

As at the Latest Practicable Date, the Board comprised three executive Directors, namely, Mr. WANG Hui, Mr. JIANG Chang Lin and Mr. SUN Xinqu, three non-executive Directors, namely, Mr. WANG Yong, Mr. WANG Di and Ms. LI Yiyi, and three independent non-executive Directors, namely, Mr. LEUNG Shu Sun Sunny, Mr. YU Kou and Mr. LIU Xiangming.

According to the article 73 of the Articles, each of Ms. LI Yiyi and Mr. LIU Xiangming who were appointed by the Board on 16 April 2015 shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-appointment. According to the Listing Rules, each of Mr. SUN Xinqu, Mr. WANG Di, Mr. WANG Yong, Mr. LEUNG Shu Sun Sunny and Mr. YU Kou shall retire from office and, being eligible, will offer himself for re-election at the AGM. Biographical and other details of the above Directors who offer themselves for re-appointment are set out in Appendix II to this circular.

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

### 4. AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 20 to 24 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.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.xiwangsteel.com](http://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, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, 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.



---

## LETTER FROM THE BOARD

---

### 5. RECOMMENDATION

The Directors believe that the grant of each of the Share Repurchase Mandate, the Issue Mandate and the Extension Mandate, is 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 repurchases of Shares will benefit the Company and the Shareholders. 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. An exercise of the Share Repurchase Mandate in full may have a material adverse impact on the working capital or gearing position of the Company compared with that as at 31 December 2014, being the date of the Company's latest audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolutions nos. 5, 6 and 7 to be proposed at the AGM.

### 6. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I to this circular.

Yours faithfully,  
For and on behalf of the Board  
**WANG Di**  
*Chairman*

*The following is an explanatory statement required by 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 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 company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong for this purpose subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company 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. SHARE CAPITAL**

As at the Latest Practicable Date, the number of Shares in issue was 2,000,000,000 Shares.

Subject to the passing of the ordinary resolution set out in resolution no. 5 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 2,000,000,000 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) 200,000,000 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 time, lead to an enhancement of the net asset value of the Company and/or the earnings per Share and will only be made when the Directors believe that such repurchase 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 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 2014) 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 requirements of the Company or the gearing position 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:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2014</b>		
April	1.04	0.90
May	1.08	0.89
June	1.11	0.93
July	1.18	0.93
August	1.12	0.90
September	1.14	0.96
October	1.09	0.97
November	1.55	1.07
December	1.41	1.05
<b>2015</b>		
January	1.38	1.07
February	1.12	1.04
March	1.15	1.03
April (up to the Latest Practicable Date)	1.43	1.11

**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.

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.

**8. 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.

As at the Latest Practicable Date, the immediate holding company of the Company is Xiwang Investment which in turn is wholly owned by Xiwang Holdings. The ultimate holding company of the Company was Xiwang Holdings for the period from 1 January 2014 to 14 February 2014 and Xiwang Group, through its wholly owned subsidiary, Xiwang Hong Kong, after 14 February 2014.

As at the Latest Practicable Date, Xiwang Investment held 1,500,000,000 Shares, representing approximately 75% of the the Shares carrying voting rights in issue. Assuming that Xiwang Investment would not dispose of its Shares or acquire additional Shares and that no Shares would be issued or repurchased before the date of the AGM, if the Repurchase Mandate were exercised in full, the percentage shareholding of Xiwang Investment would be increased to approximately 83.3% of the Shares carrying voting rights in issue. Therefore, the exercise of the Repurchase Mandate in full would not trigger an obligation on Xiwang Investment to make a mandatory offer under Rule 26 of the Takeovers Code.

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.

#### **9. REPURCHASE OF SHARES MADE BY THE COMPANY**

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

---

## APPENDIX II      DETAILS OF DIRECTORS SUBJECT TO RE-APPOINTMENT

---

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

### EXECUTIVE DIRECTOR

#### Mr. SUN Xihu

Mr. SUN, aged 40, was appointed as a non-executive Director in June 2011.

Mr. SUN has been serving as vice general manager since he joined Xiwang Group Company Limited 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 Holdings Company Limited (previously named Xiwang Sugar Holdings Company Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited under stock code 2088) since December 2008 and re-designated as a non-executive director on July 2012. Mr. SUN has also been a director of Xiwang Foodstuffs Company Limited (“**Xiwang Foodstuffs**”, a company listed on the Main Board of 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 has entered into a new service contract with the Company for a term of three years commencing from 16 April 2015, subject to termination in certain circumstances as stipulated in the service contract. Mr. SUN is also subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of the Company. Mr. SUN is entitled to an annual director's fee of RMB400,000, subject to adjustment as appropriate to be determined by the Board, with reference to his duties as well as the prevailing market conditions. Mr. SUN may also receive 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 during the term of service as an executive Director.

As at the Latest Practicable Date, Mr. SUN was interested in 89 shares of Xiwang Holdings and RMB17,800,000 in Xiwang Group within the meaning of Part XV of the SFO. On 19 September 2014, Mr. SUN was granted an option to subscribe for 3,000,000 shares of the Company. As at the Latest Practicable Date, Mr. SUN has not exercised such option.

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

---

## APPENDIX II      DETAILS OF DIRECTORS SUBJECT TO RE-APPOINTMENT

---

### NON-EXECUTIVE DIRECTORS

#### Mr. WANG Di

Aged 31, Mr. WANG was appointed as a non-executive Director in November 2007 and as the chairman on 10 October 2014. He is the son of Mr. WANG Yong. He has been serving as the head of branding of the Group since March 2010. Mr. WANG attended the bachelor's degree course of information conflict from the Electronic Engineering Institute of the Chinese People's Liberation Army (中國人民解放軍電子工程學院) from 2001 to 2005. Mr. WANG joined Xiwang Group in August 2005 and has been in charge of the international trading business of Xiwang Group for more than eight years. Mr. WANG has been granted various awards and honours, including outstanding worker for enterprise education and training of Shandong Province of the PRC in 2006, labour model of Binzhou City of Shandong Province of the PRC, labour model of Shandong Province, the PRC and outstanding entrepreneur in food industry of Shandong Province of the PRC. Mr. WANG is director and the chairman of Xiwang Foodstuffs. He was appointed as the executive director of Xiwang Property in November 2010 and the deputy chairman in July 2012, and was re-designated as the chairman and non-executive director on 15 July 2013.

Save as disclosed above, Mr. WANG did not hold any other directorship in listed companies during the past three years preceding the Latest Practicable Date.

Mr. WANG has entered a service agreement with the Company. Other than share options, he is not entitled to director's fee or other remuneration from the Group. He is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the By-laws.

As at the Latest Practicable Date, Mr. WANG was interested in 177 shares of Xiwang Holdings and RMB35,400,000 in Xiwang Group within the meaning of Part XV of the SFO. On 19 September 2014, Mr. WANG was granted an option to subscribe for 6,000,000 shares of the Company. As at the Latest Practicable Date, Mr. WANG has not exercised such option.

---

## APPENDIX II      DETAILS OF DIRECTORS SUBJECT TO RE-APPOINTMENT

---

### Mr. WANG Yong

Aged 64, Mr. WANG was appointed as the chairman and non-executive Director in June 2011 and stepped down from the role of chairman in October 2014. Mr. WANG is father of Mr. WANG Di (王棣), who is a non-executive Director of the Company. Mr. WANG is one of the founders of the Group. As a non-executive Director, Mr. WANG regularly attends the board meetings and is responsible for the strategic planning of the Group, but does not engage in the day-to-day management of the Group. Mr. WANG was the legal representative of Zouping County Xiwang Social Benefits Oil and Cotton Factory (鄒平縣西王社會福利油棉廠) from 1986 to 1992 and of Zouping County Xiwang Industrial Head Company (鄒平縣西王實業總公司) from 1993 to 1996. He was the managing director of Xiwang Group from 1996 to 2001. Mr. WANG has been the chairman of the board of directors of Xiwang Group since 2001. Mr. WANG has been assessed by Professional Position Evaluation Committee of Binzhou Non-Public Ownership Organisations (濱州市非公有制經濟組織專業技術職務評審委員會) as a senior economist and was appointed as the vice president of the third council of China Fermentation Industry Association (中國發酵工業協會) in December 2004. Mr. WANG received secondary education in the PRC.

Mr. WANG was awarded with several prizes and titles, including the National Advanced Worker in Quality Management of Township Enterprise (全國鄉鎮企業質量管理先進工作者) awarded by the Ministry of Agriculture of the PRC (中華人民共和國農業部) in 2000. Mr. WANG was awarded The National Labour Role Model (全國勞動模範) by the State Council in April 2000, the Fourth National Township Entrepreneur Award (第四屆全國鄉鎮企業家) and National Advanced Worker in Technological Progress of Township Enterprise of the Eighth Five-year Plan (「八五」全國鄉鎮企業科技進步先進工作者) awarded by the Ministry of Agriculture of the PRC in 2001.

Mr. WANG has several positions in listed companies. He was appointed as the chairman and the executive director of Xiwang Property and was re-designated as the deputy chairman and non-executive director from 15 July 2013. He is also a director of Xiwang Foodstuffs.

Save as disclosed above, Mr. WANG did not hold any other directorship in listed companies during the past three years preceding the Latest Practicable Date.

Mr. WANG has entered a service agreement with the Company with no fixed term of appointment and no entitlement of annual salary and other benefits or allowance. He is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws.



## APPENDIX II      DETAILS OF DIRECTORS SUBJECT TO RE-APPOINTMENT

As at the Latest Practicable Date, Mr. WANG was interested in the following securities of the Company and its associated corporations within the meaning of Part XV of the SFO:

Name of companies	Capacity	Number/amount and class of securities <i>(Note 1)</i>	Approximate percentage of the issued securities as at the Latest Practicable Date
Company	Interest of controlled corporations <i>(Note 2)</i>	1,500,000,000 ordinary shares (L) <i>(Note 4)</i>	75%
Xiwang Investment	Interest of controlled corporations <i>(Notes 2, 3)</i>	3 shares (L)	100%
Xiwang Holdings	Beneficial owner <i>(Note 2)</i>	6,649 shares (L)	3.32%
	Interest of controlled corporations <i>(Note 2)</i>	190,000 shares (L)	95%
Xiwang Hong Kong	Interest of controlled corporations <i>(Note 2)</i>	694,132,000 shares (L)	100%
Xiwang Group	Beneficial owner <i>(Note 2)</i>	RMB1,322,701,858 (L)	66.14%
Xiwang Property	Interest of controlled corporations <i>(Note 3)</i>	810,903,622 ordinary shares (L) <i>(Note 3)</i>	65.62%
		678,340,635 convertible preference shares (L) <i>(Note 3)</i>	99.68%

*Notes:*

- (1) The Letter “L” represents the Director’s long position in the shares of the relevant corporation.
- (2) Xiwang Group is the ultimate holding company of the Company. Xiwang Group is owned as to 66.14% by Mr. WANG Yong and remaining 33.86% by 23 individuals. Further, these 23 individuals are accustomed to act in accordance with the directions of Mr. WANG Yong in respect of the exercise by such 23 individuals of their voting powers as a shareholder of Xiwang Group. Accordingly, Mr. WANG Yong is deemed to be interested in all the shares of the Company in which Xiwang Group is interested.

Xiwang Hong Kong is a wholly-owned subsidiary of Xiwang Group. Xiwang Hong Kong directly holds 95% and Mr. WANG Yong and 23 individuals directly hold 5% of the issued share capital of Xiwang Holdings, respectively. Xiwang Investment is a wholly-owned subsidiary of Xiwang Holdings. Therefore, Xiwang Holdings, Xiwang Hong Kong and Xiwang Group are deemed to be interested in the number of shares of the Company held by Xiwang Investment.

---

## APPENDIX II      DETAILS OF DIRECTORS SUBJECT TO RE-APPOINTMENT

---

- (3)      Xiwang Investment, where the entire issued shares are deemed to be interested by Mr. WANG Yong, held 65.62% of ordinary shares of Xiwang Property Holdings Company Limited and 99.68% of convertible preference shares of Xiwang Property.
- (4)      These shares are registered in the name of Xiwang Investment. Mr. WANG Yong is deemed to have interest in all shares of the Company held by Xiwang Investment.

### **Ms. LI Yiyi**

Ms. LI, age 81, metallurgy and metal materials scientist, was selected as the academician of Chinese Academy of Sciences in 1993 and the academician of Third World Academy of Sciences in 1999, and was the director of Institute of Metal Research of Chinese Academy of Sciences for two consecutive terms from 1990 to 1998. She was the vice chairman of Chinese Society for Metals, the vice chairman of Chinese Materials Research Society, the vice chairman, chairman and honorary chairman of Liaoning Association of Science and Technology, and was a member and standing committee member of the fourth, fifth and sixth session committee of China Association for Science, a deputy director of the Division of Technology of Chinese Academy of Sciences, a member of the Presidium of Chinese Academy of Sciences, and a representative at the fourteenth and fifteenth National Congress of the Communist Party of China. She is now the honorary president of the Liaoning Association of Science and Technology, an honorary member of the China Association for Science and the Chinese Society for Metals, a committee member of the International Cryogenic Materials Society (國際低溫材料學會) and the chairman of the Academic Committee of Institute of Metal Research of Chinese Academy of Sciences.

Ms. LI is mainly engaged in the research of new materials, phase transformation of alloys, research and development of hydrogen-resistant alloys, preparation of engineering materials and study the relationship between material preparation and microstructure, visualized preparation technology for large forging materials. In respect of her research in cryogenic steel, she has developed phase diagram and phase identification methods for Fe-Mn-Al alloy; developed hydrogen-resistant steel and alloys of six different strength, which is breakthrough for China's research in cryogenic, high-pressure hydrogen-resistant embrittlement alloys; and has developed dozens of alloys such as Fe-Ni-Cr, Fe-Mn-Al, TiAl, TiNi. She won more than ten awards (first and second class) from the country and different divisions.

Ms. LI has proposed and is committed to the development of visualized casting technology. Her team helped China to break through the bottleneck in the production of heavy castings and forgings products, such as cast steel back up rolls used by equipment manufacturing industry, large marine crankshafts and cranks and large steel ingots. Her research has made significant contribution in the sustained production of turbine runner in the Three Gorges Dam with 0Cr13Ni4Mo stainless steel and the relevant standard revision; in promoting the Chinese-made bogie for CRH5 EMU and CRH3 high-speed rail; and in the production of high quality precise tubing for steam generator used in nuclear power stations. Besides, she has trained 60 postgraduates and a group of leading scientists, and has published three books and presented more than 300 papers.

---

## APPENDIX II      DETAILS OF DIRECTORS SUBJECT TO RE-APPOINTMENT

---

Ms. LI has entered into a service contract with the Company for a term of three years commencing from 16 April 2015 subject to termination in certain circumstances as stipulated in the service contract. Ms. LI is also subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of the Company, whereby Ms. LI shall hold office until the first general meeting of the Company after her appointment and shall be eligible for re-election at such meeting. Ms. LI will not receive any director's fee but may receive 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 during the term of service as a non-executive Director.

Ms. LI does not hold any directorship in other listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other positions with the Company or other members of the Group.

As at the Latest Practicable Date, within the meaning of Part XV of the Securities and Futures Ordinance, Ms. LI has interest in respect of 5,400,000 shares of the Company pursuant to the technology licence and cooperation agreement dated 5 January 2015 entered into among the Company, the Institute of Metal Research, Chinese Academy of Sciences ("IMR"), Ms. LI and 24 researchers of IMR, details of which are set out in the Company's announcement dated 5 January 2015.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

#### **Mr. LEUNG Shu Sun Sunny**

Aged 51, Mr. LEUNG was appointed as an independent non-executive Director commencing from 23 February 2012. He is the chairman of the audit committee of the Company ("Audit Committee"). 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 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

---

## APPENDIX II      DETAILS OF DIRECTORS SUBJECT TO RE-APPOINTMENT

---

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 a service agreement with the Company and is entitled to an annual salary of HKD150,000 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 Bye-laws. 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.

Mr. LEUNG does 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 three years preceding the Latest Practicable Date.

### **Mr. YU Kou**

Aged 67, Mr. YU was appointed as an independent non-executive Director commencing from 23 February 2012. 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 a service agreement with the Company and is entitled to an annual salary of RMB100,000 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 Bye-laws. 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. Saved as disclosed above, Mr. YU did not hold any other directorship in listed companies during the past three years preceding the Latest Practicable Date.

---

## APPENDIX II      DETAILS OF DIRECTORS SUBJECT TO RE-APPOINTMENT

---

### **Mr. LIU Xiangming**

Mr. LIU, aged 44, was graduated from The Party School of the Central Committee of the CPC (中共中央黨校) with a bachelor's degree in law in December 2011. He has worked in Shandong Liangzou Law Firm (山東梁鄒律師事務所) since December 1996 and has been the managing partner since May 2006. He has been a member of Shandong Criminal Defense Practice Committee since January 2015, a member of China Law Society since July 2013 and the vice president of Binzhou Law Society since May 2011. He was awarded Binzhou Outstanding Young Lawyer in October 1999.

Mr. LIU has entered into a service contract with the Company for a term of three years commencing from 16 April 2015 subject to termination in certain circumstances as stipulated in the service contract. Mr. LIU is also subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of the Company, whereby Mr. LIU shall hold office until the first general meeting of the Company after her appointment and shall be eligible for re-election at such meeting. Mr. LIU is entitled to an annual director's fee of RMB50,000, subject to adjustment as appropriate to be determined by the Board, with reference to her duties as well as the prevailing market conditions.

Save as disclosed above, Mr. LIU does not hold any directorship in other listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other positions with the Company or other members of the Group.

As at Latest Practicable Date, save as disclosed above, Mr. LIU does not have any interests in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Future Ordinance and does not any relationship with any director, senior management, substantial or controlling shareholder(s) (as defined in the Listing Rules) of the Company.

---

## NOTICE OF AGM

---



# XIWANG SPECIAL STEEL COMPANY LIMITED 西王特鋼有限公司

*(incorporated in Hong Kong with limited liability)*

**(Stock code: 1266)**

Notice is hereby given that an annual general meeting of Xiwang Special Steel Company Limited (the “**Company**”) will be held at Monaco Room, Basement 1, Regal HongKong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong at 9:30 a.m. on Friday, 29 May 2015 (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 and auditors of the Company for the year ended 31 December 2014.
2. To consider and approve a final dividend for the year ended 31 December 2014.
3. To re-appoint each of the Directors who offers himself to be re-appointment pursuant to article 73 of the Articles, each as a separate resolution, and to authorise the board of Directors to fix the remuneration of Directors re-appointed.
4. To consider and approve the re-appointment of Ernst & Young as auditors of the Company and to authorise the board of directors of the Company to fix their remuneration.

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

5. “**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;

---

## NOTICE OF AGM

---

(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.”

6. **“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;

---

## NOTICE OF AGM

---

- (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,

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.



---

## NOTICE OF AGM

---

“**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).”

7. “**THAT** conditional upon the passing of resolutions set out in items 5 and 6 of the notice convening this Meeting, the general mandate referred to in the resolution set out in item 6 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 5 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  
**NG Weng Sin**  
*Company Secretary*

Hong Kong, 27 April 2015

*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 County  
Shandong Province  
China  
256209

---

## NOTICE OF AGM

---

*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 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, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting or 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.
4. In order to determine the entitlement to attend and vote at the Meeting for the year ended 31 December 2014, the register of members of the Company will be closed from Wednesday, 27 May 2015 to Friday, 29 May 2015 (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 for the year ended 31 December 2014, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration by not later than 4:30 p.m. on Tuesday, 26 May 2015.
5. In order to determine the entitlement to the proposed final dividend for the year ended 31 December 2014, the register of members of the Company will be closed from Thursday, 4 June 2015 to Monday, 8 June 2015 (both days inclusive), during which period no transfer of shares can be registered. In order to establish entitlements to the proposed final dividend for the year ended 31 December 2014, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration by not later than 4:30 p.m. on Wednesday, 3 June 2015.
6. As at the date of this Notice, the executive directors of the Company are Mr. WANG Hui, Mr. JIANG Chang Lin and Mr. SUN Xihu, the non-executive directors of the Company are Mr. WANG Yong, Mr. WANG Di and Ms. LI Yiyi, and the independent non-executive directors of the Company are Mr. LEUNG Shu Sun Sunny, Mr. LIU Xiangning and Mr. YU Kou.