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首鋼福山資源集團有限公司
SHOUGANG FUSHAN RESOURCES GROUP LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 639)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of the Company published in the morning of 25 April 2012 in relation to the Second Report. The Second Report contains certain allegations on the Company which are biased.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

Reference is made to the announcement of Shougang Fushan Resources Group Limited (the “Company”, which together with its subsidiaries, the “Group”) published in the morning of 25 April 2012 in relation to a report issued by Glaucus Research Group (“Glaucus”) on 24 April 2012 (the “Second Report”), which contains follow-up information on the report (the “First Report”) issued by Glaucus on 11 April 2012. References are also made to the announcements of the Company dated 13 April 2012 and 16 April 2012 in relation to the First Report.

The Company would like to reiterate that the Company has no information about the identity of Glaucus. As indicated in the First Report and the Second Report, Glaucus is a short seller and will make money if the price of the Company’s shares declines. Glaucus also admits that it is biased. In the circumstances, **the shareholders of the Company and investors should exercise extreme caution in reading and using the information in the First Report and the Second Report.** The Company reserves its rights to take legal actions against Glaucus.

The Second Report contains certain allegations on the Company and the Company wishes to refute such allegations as follows:-

1) The quality of the coal products produced by the Group

Different types of coal products have different prices. The coking coal products produced by the Group are premium products and have the characteristics of low ash, low sulfur and high caking index. For instance, for the No. 4 clean coking coal, which is a major product of the Group, produced by the Group in April 2012, the ash content is $\leq 9.53\%$, sulfur content is $\leq 0.60\%$ and caking index is ≥ 89 . In view of these

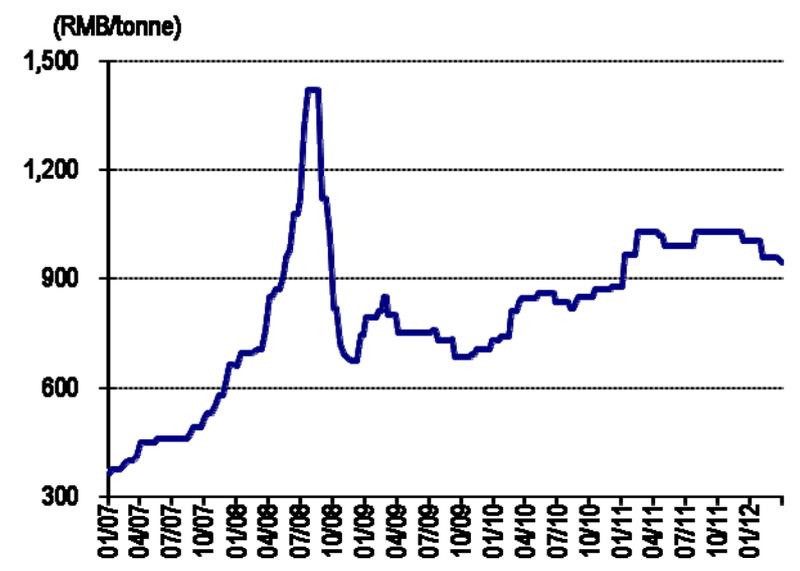
characteristics, our products can be sold at a premium over ordinary products in the market. The Company reiterates that the products of the Group were and are sold at prevailing market prices and such market data is made available in various websites, e.g. www.price.statecoal.com.

2) Connected Transactions with Mr. Xing Libin (“Mr. Xing”)

The Company reiterates that the caps for the continuing connected transactions with Mr. Xing have been approved by the independent shareholders of the Company. The actual amounts of the sales to, and the purchase from, Mr. Xing amounted to RMB8,585,000 and RMB14,615,000, respectively, for the financial year ended 31 December 2011, representing approximately 0.15% of the total sales and approximately 0.80% of the cost of sales of the Group for the financial year ended 31 December 2011. These figures have been verified by the auditor of the Company.

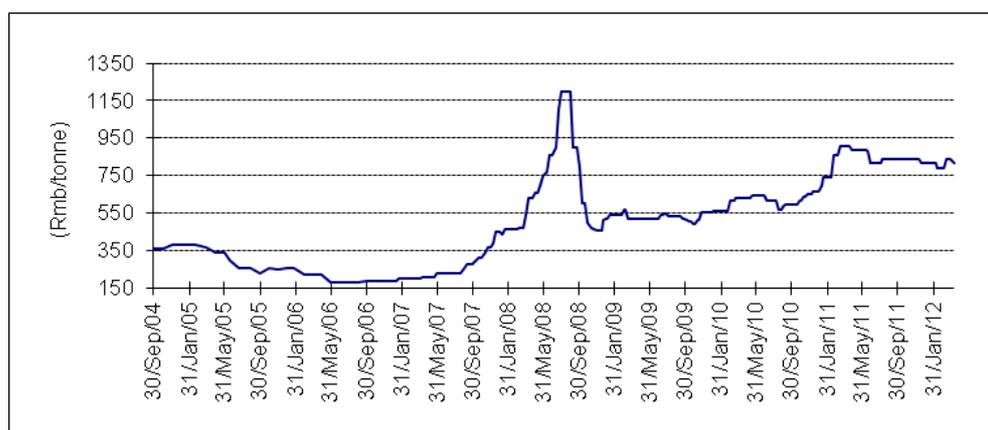
The prices for coal products were volatile during 2007 to 2008 as illustrated below. In the circumstances, the transactions entered into at different points of time might have significantly different prices. As such, the allegations in the First Report and the Second Report based on simple mathematical calculation method are biased.

Price of No. 4 raw coking coal, Liulin



Sources from www.sxcoal.com

Price of No. 9 raw coking coal, Liulin



Sources from www.sxcoal.com

3) Purchase price for the three mines

The three mines acquired by the Company in 2008 are premium coking coal mines which are scarce and precious resources with modernized facilities in place. The mines have come into large scale production when the Company acquired them. Based on the average profit attributable by the three mines to the Company of approximately HK\$2 billion per annum, the price to earnings ratio in terms of the purchase price of HK\$10.53 billion paid by the Company for the three mines is approximately 5. The Company considers that consideration for the acquisition of the three mines was reasonable.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the order of the Board, of which the directors individually and jointly accept responsibility for the accuracy of the information contained in this announcement.

By Order of the Board
Shougang Fushan Resources Group Limited
Li Shaofeng
Chairman

Hong Kong, 26 April 2012

As at the date of this announcement, the Board comprises Mr. Li Shaofeng (Chairman), Mr. Chen Zhouping (Vice-chairman and Managing Director), Mr. Wong Lik Ping (Vice-chairman), Mr. So Kwok Hoo (Deputy Managing Director), Mr. Chen Zhaoqiang (Deputy Managing Director), Mr. Liu Qingshan (Deputy Managing Director), Mr. Xue Kang (Deputy Managing Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Zhang Yaoping (Non-executive Director), Mr. Zhang Wenhui (Non-executive Director), Mr. Kee Wah Sze (Independent Non-executive Director), Mr. Choi Wai Yin (Independent Non-executive Director) and Mr. Chan Pat Lam (Independent Non-executive Director).