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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shougang Fushan Resources Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice of annual general meeting of Shougang Fushan Resources Group Limited to be held at 10:30 a.m. on Thursday, 16 May 2019 at Empire Grand Room, 1st Floor, The Empire Hotel Hong Kong, 33 Hennessy Road, Wan Chai, Hong Kong is set out on pages 14 to 17 of this circular. Whether or not you are able to attend the meeting, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the meeting (i.e., at or before 10:30 a.m. on Tuesday, 14 May 2019 (Hong Kong time)), or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) should you so wish.

10 April 2019

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
APPENDIX 1: EXPLANATORY STATEMENT	7
APPENDIX 2: DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED	10
NOTICE OF ANNUAL GENERAL MEETING	14

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“2018 Annual General Meeting”	the annual general meeting of the Company held on 18 May 2018
“Annual General Meeting”	the annual general meeting of the Company to be held at 10:30 a.m. on Thursday, 16 May 2019 at Empire Grand Room, 1st Floor, The Empire Hotel Hong Kong, 33 Hennessy Road, Wan Chai, Hong Kong or any adjournment thereof
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“Board Committees”	Committees of the Board, including Executive Committee, Audit Committee, Nomination Committee and Remuneration Committee
“close associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Company”	Shougang Fushan Resources Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“controlling shareholder”	has the same meaning as ascribed to it under the Listing Rules
“core connected person”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Executive Committee”	the executive committee of the Board
“Executive Director(s)”	the executive director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company
“Latest Practicable Date”	1 April 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange and any amendments thereto
“Nomination Committee”	the nomination committee of the Board
“Non-executive Director(s)”	the non-executive director(s) of the Company
“Remuneration Committee”	the remuneration committee of the Board
“SEHK”	Stock Code on the Stock Exchange
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	subsidiary(ies) for the time being of the Company within the meaning of the Companies Ordinance
“Takeovers Code”	Code on Takeovers and Mergers
“%”	per cent



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)

Directors:

Ding Rucai (*Chairman*)

Li Shaofeng (*Managing Director*)

So Kwok Hoo (*Deputy Managing Director*)

Chen Zhaoqiang (*Deputy Managing Director*)

Liu Qingshan (*Deputy Managing Director*)

Leung Shun Sang, Tony (*Non-executive Director*)

Chang Cun (*Non-executive Director*)

Kee Wah Sze (*Independent Non-executive Director*)

Choi Wai Yin (*Independent Non-executive Director*)

Chan Pat Lam (*Independent Non-executive Director*)

Japhet Sebastian Law (*Independent Non-executive Director*)

Registered Office:

6th Floor

Bank of East Asia Harbour View Centre

56 Gloucester Road

Wanchai

Hong Kong

10 April 2019

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND BUY BACK SHARES
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

(1) INTRODUCTION

The purpose of this circular is to provide the Shareholders with details regarding the proposals for (i) granting of general mandates to the Directors to issue and buy back Shares; and (ii) re-election of retiring Directors, and to give the Shareholders notice of the Annual General Meeting. Such proposals will be dealt with at the Annual General Meeting.

LETTER FROM THE BOARD

(2) GENERAL MANDATES TO ISSUE AND BUY BACK SHARES

At the Annual General Meeting, separate ordinary resolutions will be proposed to renew the general mandates given to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding in aggregate 20% of the total number of Shares in issue at the date of passing of such resolution; (ii) to buy back Shares not exceeding 10% of the total number of Shares in issue at the date of passing of such resolution; and (iii) to add the aggregate number of the Shares bought back by the Company to the general mandate to the Directors to allot new Shares of up to 20% of the total number of Shares in issue.

The mandates to issue and buy back Shares granted at the 2018 Annual General Meeting will lapse at the conclusion of the Annual General Meeting. Resolutions Nos. 5 to 7 set out in the notice of Annual General Meeting will be proposed at the Annual General Meeting to renew these mandates. With reference to these resolutions, the Directors wish to state that they have no present intention to buy back any Shares or to issue any new Shares pursuant to the relevant mandates.

Based on 5,301,837,842 Shares in issue as at the Latest Practicable Date and assuming that there is no change to the number of issued Shares prior to the Annual General Meeting, subject to the passing of the relevant ordinary resolutions to approve the mandate to issue Shares at the Annual General Meeting, the Directors will be authorised to allot and issue up to a limit of 1,060,367,568 Shares under the general mandate to issue Shares.

If approved by the Shareholders at the Annual General Meeting, the general mandate to issue Shares will continue in force until the earlier of (i) the conclusion of the next annual general meeting of the Company following the passing of the resolution referred to herein; or (ii) the revocation or variation of the general mandate to issue Shares by an ordinary resolution of the Shareholders in general meeting.

The explanatory statement, required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to buy back the Shares (the “Share Buy-back Mandate”) is set out in the Appendix 1 of this circular which contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions.

(3) RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 102(A) of the articles of association of the Company, Mr. Ding Rucai, Mr. Leung Shun Sang, Tony, Mr. Choi Wai Yin and Mr. Japhet Sebastian Law, will retire at the Annual General Meeting by rotation, whereas in accordance with article 93 of the articles of association of the Company, Ms. Chang Cun, who was appointed on 1 July 2018 as the Non-executive Director, shall hold office until the Annual General Meeting.

LETTER FROM THE BOARD

Mr. Leung Shun Sang, Tony, who has been a Non-executive Director since 2009, has decided to retire as a Director at the conclusion of the Annual General Meeting and will not offer himself for re-election due to his other personal business and arrangements. All the other retiring Directors, being eligible, offer themselves for re-election at the Annual General Meeting. The re-election of these retiring Directors will be individually voted on by Shareholders.

The biographical details (as at the Latest Practicable Date), the interests in the shares of the Company within the meaning of Part XV of the SFO (if any), the basis of determining Directors' emoluments and the amount of emoluments paid for the year ended 31 December 2018 to each of the Directors who stand for re-election at the Annual General Meeting are set out in Appendix 2 of this circular.

Save for the information disclosed above and set out in Appendix 2 of this circular, there is no other information that need to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that need to be brought to the attention of Shareholders in respect of the Directors who stand for re-election at the Annual General Meeting.

All of the Independent Non-executive Directors (including the Independent Non-executive Directors who are seeking for re-election) have provided valuable contributions to the Board, and have exercised impartial judgments and given independent guidance to the Company. Each of the Independent Non-executive Directors has met the independence guidelines set out in Rule 3.13 of the Listing Rules. They have submitted to the Stock Exchange a written confirmation concerning his/her independence to the Company and has also given to the Company an annual confirmation of his/her independence. Having regard to the confirmations as well as the actual contributions that each of the Independent Non-executive Directors has made, the Board concluded that each of the Independent Non-executive Directors to be independent.

(4) ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set out in this circular. At the Annual General Meeting, in addition to the ordinary businesses of the meeting, resolutions will be proposed to approve the general mandates for the issue and buy back by the Company of its own Shares. In accordance with the requirements of the Listing Rules, all votes at the Annual General 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 by a show of hands.

LETTER FROM THE BOARD

A form of proxy for the Annual General Meeting is enclosed herewith. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event not later than 48 hours before the time appointed for holding the Annual General Meeting (i.e., at or before 10:30 a.m. on Tuesday, 14 May 2019 (Hong Kong time)), or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting (as the case may be) should you so wish.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the relevant resolutions to be proposed at the Annual General Meeting.

(5) RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

(6) RECOMMENDATION

The Directors consider that the proposals for (i) granting of general mandates to the Directors to issue and buy back Shares; and (ii) re-election of retiring Directors are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant ordinary resolutions to be proposed at the Annual General Meeting in respect thereof.

Yours faithfully,
For and on behalf of
Shougang Fushan Resources Group Limited
Ding Rucai
Chairman

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Share Buy-back Mandate.

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

1. SHAREHOLDERS' APPROVAL

All proposed buy-back of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by special approval of a particular transaction. The Company's sole listing is on the Stock Exchange.

2. SOURCE OF FUNDS

Buying back of Shares must be funded out of funds legally available for the purpose in accordance with the articles of association of the Company and the Companies Ordinance. The Companies Ordinance provides that a company may make a payment in respect of a share buy-back out of the company's distributable profits and/or the proceeds of a fresh issue of shares made for the purpose of the buy-back to such extent allowable under the Companies Ordinance.

3. EXERCISE OF THE SHARE BUY-BACK MANDATE

The Shares proposed to be bought back by the Company must be fully paid up. Under the Listing Rules, the total number of shares which a company is authorised to buy back on the Stock Exchange is shares representing up to a maximum of 10% of the total number of Shares in issue as at the date of the resolution granting such general mandate. Exercise in full of the Share Buy-back Mandate, on the basis of 5,301,837,842 Shares in issue as at the Latest Practicable Date and assuming there is no change to the number of issued Shares prior to the Annual General Meeting, could result in up to 530,183,784 Shares, which represents 10% of the total number of Shares in issue as at the Latest Practicable Date, being bought back by the Company during the period from the passing of the resolution granting the Share Buy-back Mandate up to the conclusion of the next annual general meeting of the Company or the expiration of the period within the next annual general meeting of the Company as required by the applicable laws of Hong Kong to be held, or when revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever occurs first.

4. REASONS FOR THE BUY-BACK

Although the Directors have no present intention of buying back any Shares, they believe that it is in the best interests of the Company and the Shareholders to have a general authority from Shareholders to enable the Directors to buy-back Shares on the market. Such buy back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such buy-back will benefit the Company and the Shareholders.

5. FUNDING OF THE BUY-BACK

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with the articles of association of the Company and the applicable laws of Hong Kong.

The exercise in full of the Share Buy-back Mandate might have a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in its most recent published audited accounts for the year ended 31 December 2018. However, the Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company.

6. GENERAL

- (a) None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates has any present intention, in the event that the Share Buy-back Mandate is approved by the Shareholders to sell the Shares to the Company or its Subsidiaries.
- (b) The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.
- (c) If on exercise of the power to buy back Shares pursuant to the Share Buy-back Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for purposes of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of a buying back 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, as informed by the relevant Shareholders, Shougang Holding (Hong Kong) Limited ("Shougang Holding") together with its close associates and Funde Sino Life Insurance Co., Ltd. ("Funde Sino Life") were interested in approximately 29.85% and 29.99% of the total number of shares of the Company in issue respectively. In the event that the Share Buy-back Mandate is exercised in full and no further Shares are issued during the proposed buy-back period, the total number of Shares held by Shougang Holding together with its close associates and Funde Sino Life would increase to approximately 33.17% and 33.32% of the total number of shares of the Company in issue respectively. Such increases in the interests of the Company would possibly give rise to each of Shougang Holding and Funde Sino Life an obligation to make a mandatory offer under the Takeovers Code. However, the Directors have no present intention to buy back Shares to such extent that would give rise to Shougang Holding or Funde Sino Life an obligation to make a mandatory offer under the Takeovers Code.

- (d) The Company has not bought back any of its Shares (whether on the Stock Exchange or otherwise) in the 6 months preceding the Latest Practicable Date and will not buy back its Shares if public float is less than 25%.

- (e) No core connected person has notified the Company that he or she has a present intention to sell Shares to the Company, and no core connected person has undertaken not to sell any of Shares held by him or her to the Company, in the event that the Share Buy-back Mandate is approved by the Shareholders.
- (f) The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
April	2.04	1.83
May	2.29	1.90
June	2.17	1.74
July	2.01	1.66
August	1.93	1.73
September	1.77	1.42
October	1.76	1.53
November	1.72	1.55
December	1.67	1.56
2019		
January	1.73	1.52
February	1.89	1.68
March	1.88	1.76

Details of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are set out as follows:

(1) **Ding Rucai**

Mr. Ding Rucai, aged 54, senior engineer in professor grade. Mr. Ding graduated from the School of Metallurgical and Ecological Engineering of the University of Science and Technology Beijing with a doctoral degree in ferrous metallurgy. He also studied senior business administration in the University of Warwick, United Kingdom. Mr. Ding had acted as a deputy general manager of the Company since August 2014, then was appointed as an Executive Director, the vice chairman and managing director of the Company in September 2014 and was re-designated as the chairman of the Board from 29 January 2018. He is also the chairman of each of the Executive Committee and the Nomination Committee and a member of the Remuneration Committee.

Mr. Ding joined Shougang Group Co., Ltd. (“Shougang Group”, a substantial shareholder of the Company), the current holding company of Shougang Holding (a substantial shareholder of the Company) and Shougang Concord International Enterprises Company Limited (“Shougang International”, a substantial shareholder of the Company), in 1989, and thereafter held various senior positions in the group companies of Shougang Group which include the position as a director and deputy managing director of Shougang Holding. Mr. Ding was an executive director and the deputy managing director of Shougang International (SEHK:697) (from September 2014 to January 2018). He has extensive experience in management of listed companies, mergers and acquisitions, production management of steel and coal industries, project construction management, trading of iron ore and coking coal resources and shipping management.

Save as disclosed above, Mr. Ding has no other relationships with any other Directors, senior management of the Company or substantial or controlling Shareholders nor did Mr. Ding hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas during the last 3 years preceding the Latest Practicable Date.

In accordance to the service contract entered into with Mr. Ding, he is entitled to a monthly salary as may be determined by the Board or its delegated committee(s) from time to time. As disclosed in note 13 to the consolidated financial statements in the Company’s 2018 annual report, the total salary (including retirement benefits scheme contributions) paid for the year ended 31 December 2018 to Mr. Ding is HK\$2,808,000. Such salary was determined by the Remuneration Committee with reference to the then prevailing market conditions, the performance of the Company as well as Mr. Ding’s individual performance.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Ding did not have any interests in the Shares.

(2) Choi Wai Yin

Mr. Choi Wai Yin, aged 60, holds a master degree of science in finance from the City University of Hong Kong, a bachelor degree in business administration from The Chinese University of Hong Kong and a bachelor degree in law from the Peking University. Mr. Choi was appointed an Independent Non-executive Director in July 2004 and is the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee.

Currently, he is a director and a responsible officer of Tap Capital Limited, a company carrying the asset management business. Mr. Choi is an investment adviser registered under the SFO. He has extensive experience in the fields of finance and fund management.

Save as disclosed above, Mr. Choi has no other relationships with any other Directors, senior management of the Company or substantial or controlling Shareholders nor did Mr. Choi hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas during the last 3 years preceding the Latest Practicable Date.

An engagement letter was entered into with Mr. Choi with no fixed term of appointment, but is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Under the engagement letter, Mr. Choi is entitled to a director's fee as may be determined by the Board from time to time. As disclosed to note 13 of the consolidated financial statements in the Company's 2018 annual report, the amount of director's fee for the year ended 31 December 2018 to Mr. Choi is HK\$420,000. Such director's fee was determined by the Board with reference to Mr. Choi's experience and duties as well as the then prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Choi had a beneficial interest of 20,000 Shares.

Pursuant to code provision A.4.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, any further appointment of independent non-executive director serving more than 9 years should be subject to a separate resolution to be approved by shareholders. Mr. Choi is an Independent Non-executive Director and has served on the Board for more than 9 years. As an Independent Non-executive Director with extensive experience and knowledge and in-depth understanding of the Company's operations and businesses, Mr. Choi has expressed objective views and given independent guidance to the Company over the past years. He continues demonstrating a firm commitment to his role.

The Nomination Committee and the Board consider that the long service of Mr. Choi would not affect his exercise of independent judgement and are satisfied that Mr. Choi has the required character, integrity and experience to continue fulfilling the role of an Independent Non-executive Director and consider Mr. Choi to be independent. Furthermore, given the extensive knowledge and experience of Mr. Choi, his impartiality and his independent judgement on various issues that he brings to the discussions during Board and Committees meetings, the Nomination Committee and the Board believe that his re-election as a Director is in the best interests of the Company and the Shareholders, and therefore recommend the Shareholders to re-elect Mr. Choi as a Director. A separate resolution will be proposed for his re-election at the Annual General Meeting.

(3) Japhet Sebastian Law

Mr. Japhet Sebastian Law, aged 67, graduated from the University of Texas at Austin with a doctor of philosophy degree in mechanical/industrial engineering in 1976. Mr. Law was appointed an Independent Non-executive Director in September 2013 and is the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee.

He joined The Chinese University of Hong Kong in 1986 and retired in August 2012. Before retirement, Mr. Law was a professor in the Department of Decision Sciences and Managerial Economics. He was the associate dean and subsequently the dean of the Faculty of Business Administration of The Chinese University of Hong Kong from 1993 to 2002. Prior to returning to Hong Kong, Mr. Law was a director of Operations Research at the Cullen College of Engineering and a director of Graduate Studies in Industrial Engineering at the University of Houston and was also involved with the U.S. Space Program in his career with McDonnell Douglas and Ford Aerospace in the United States. He acts as a consultant for various corporations in Hong Kong and overseas. Mr. Law is active in public services and serves as a member of the Provisional Regional Council of the Hong Kong Special Administrative Region Government and various other committees. He serves on the boards of profit, non-profit and charitable organisations in Hong Kong and overseas.

Mr. Law is an independent non-executive director of each of GDC (SEHK:8271), Tianjin Port Development Holdings Limited (SEHK:3382), Beijing Capital International Airport Company Limited (SEHK:694), Binhai Investment Company Limited (SEHK:2886), Regal Hotels International Holdings Limited (SEHK:78) and Tianjin Binhai Teda Logistics (Group) Corporation Limited (SEHK:8348) respectively, all of which are listed companies in Hong Kong. He was an independent non-executive director of Shanghai La Chapelle Fashion Co., Ltd. (SEHK:6116) (from August 2013 to July 2016), a listed company in Hong Kong.

Save as disclosed above, Mr. Law has no other relationships with any other Directors, senior management of the Company or substantial or controlling Shareholders nor did Mr. Law hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas during the last 3 years preceding the Latest Practicable Date.

An engagement letter was entered into with Mr. Law with no fixed term of appointment, but is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Under the engagement letter, Mr. Law is entitled to a director's fee as may be determined by the Board from time to time. As disclosed in note 13 to the consolidated financial statements in the Company's 2018 annual report, the amount of director's fee for the year ended 31 December 2018 to Mr. Law is HK\$420,000. Such director's fee was determined by the Board with reference to Mr. Law's experience and duties as well as the then prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. Law did not have any interests in the Shares.

(4) Chang Cun

Ms. Chang Cun, aged 41, possess the qualifications as a certified public accountant in China and a certified internal auditor. She holds a bachelor degree in economics from Beijing Institute of Business and a master degree in management from Beijing Technology and Business University. Ms. Chang was appointed a Non-executive Director in July 2018.

She is currently the director, deputy general manager, and chief auditor of Funde Insurance Holdings Co., Ltd, the director and chief auditor of Funde Sino Life (a substantial shareholder of the Company), the chief auditor of Sino Life AMC, and also the supervisor of The National Trust Co., Ltd respectively. She previously held various positions in the group of Funde Sino Life. Ms. Chang has extensive experience in accounting, auditing, financial and insurance businesses.

Save as disclosed above, Ms. Chang has no other relationships with any other Directors, senior management of the Company or substantial or controlling Shareholders nor did Ms. Chang hold any directorship in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas during the last 3 years preceding the Latest Practicable Date.

An engagement letter was entered into with Ms. Chang with no fixed term of appointment, but is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. Under the engagement letter, Ms. Chang is entitled to a director's fee as may be determined by the Board from time to time. As disclosed in note 13 to the consolidated financial statements in the Company's 2018 annual report, the amount of director's fee for the period from 1 July 2018 (the date being appointed) to 31 December 2018 to Ms. Chang is HK\$210,000. Such director's fee was determined by the Board with reference to Ms. Chang's experience and duties as well as the then prevailing market conditions.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Ms. Chang did not have any interests in the Shares.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shougang Fushan Resources Group Limited (the “Company”) will be held at 10:30 a.m. on Thursday, 16 May 2019 at Empire Grand Room, 1st Floor, The Empire Hotel Hong Kong, 33 Hennessy Road, Wan Chai, Hong Kong for the following purposes:

1. To receive the directors’ report and the audited consolidated financial statements for the year ended 31 December 2018.
2. To declare a final dividend for the year ended 31 December 2018. *(Note 1)*
3. To re-elect the retiring directors. *(Note 2)*
4. To re-appoint the auditor and to authorise the directors to fix its remuneration. *(Note 3)*
5. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company

NOTICE OF ANNUAL GENERAL MEETING

and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) any scrip dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the total number of shares of the Company in issue as at the date of passing this resolution; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier 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 or rules to be held; and
- (iii) the revocation or variation of this resolution by any ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of 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 any class thereof (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any territories outside Hong Kong).”

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors during the Relevant Period of all the powers of the Company to buy back issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited, and that the exercise by the directors of all the powers of the Company to buy back such shares subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and it is hereby generally and unconditionally approved;
- (b) in addition, the approval in paragraph (a) above shall authorise the directors on behalf of the Company during the Relevant Period to procure the Company to buy back its shares at a price determined by the directors;

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate number of shares bought back or agreed conditionally or unconditionally to be bought back by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing this resolution, and the authority pursuant to paragraph (a) 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 earlier 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 or rules to be held; and

(iii) the revocation or variation of this resolution by any ordinary resolution of the shareholders of the Company in general meeting.”

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolution no. 6 as set out in the notice convening this meeting of which this resolution forms part, the aggregate number of shares of the Company which are bought back by the Company pursuant to and in accordance with the said resolution no. 6 shall be added to the aggregate number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to and in accordance with resolution no. 5 as set out in the notice convening this meeting of which this resolution forms part.”

By Order of the Board
Shougang Fushan Resources Group Limited
Kong Ling Yan
Company Secretary

Hong Kong, 10 April 2019

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) With respect to Resolution 2 above, the board of directors of the Company recommended a final dividend of HK8.5 cents per ordinary share for the year ended 31 December 2018 payable to shareholders whose names appear on the register of members of the Company at the close of business on Monday, 3 June, 2019.

In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 3 June, 2019 for registration. The final dividend is expected to be paid on or about Thursday, 11 July 2019.

- (2) With respect to Resolution 3 above, the directors being re-elected are Mr. Ding Rucai, Mr. Choi Wai Yin, Mr. Japhet Sebastian Law and Ms. Chang Cun.
- (3) With respect to Resolution 4 above, the auditor being re-appointed to hold office until the conclusion of the next annual general meeting is PricewaterhouseCoopers.
- (4) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
- (5) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.
- (6) 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 such power or authority, must be deposited with the share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting (i.e. at or before 10:30 a.m. on Tuesday, 14 May 2019 (Hong Kong time)), or any adjourned meeting thereof (as the case may be).
- (7) The register of members of the Company will be closed from Friday, 10 May 2019 to Thursday, 16 May 2019 (both days inclusive) to determine the entitlement to attend and vote at the above meeting. During such period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 9 May 2019 for registration.
- (8) Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
- (9) Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall alone be entitled to vote in respect thereto.