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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)

INSIDE INFORMATION

**IN RELATION TO REVISED PROPOSED RESTRUCTURING
AT SHAREHOLDER LEVEL**

This announcement is made by Shougang Fushan Resources Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 18 January 2021 (the “**Announcement**”) in relation to, among other things, the information published by Shoucheng regarding the entering into of the Sale and Purchase Agreement by the Vendor and the Purchaser in respect of the Proposed Restructuring. Capitalized terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

On 18 February 2021, the Company has been informed by Shoucheng that it has issued an announcement on the same date on the Stock Exchange (“**Shoucheng’s Supplemental Announcement**”) whereby it has been announced that, on 18 February 2021, the Vendor and the Purchaser entered into a supplemental agreement to amend and restate the Sale and Purchase Agreement (the “**Amended and Restated Sale and Purchase Agreement**”).

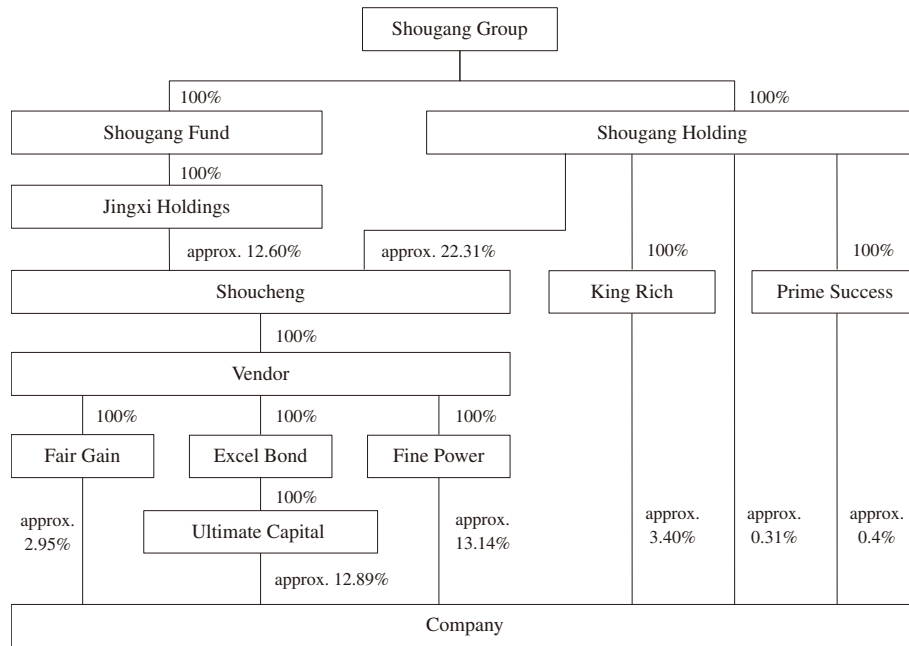
A table setting out the key amendments in the Amended and Restated Sale and Purchase Agreement (together with a comparison against the original terms in the Sale and Purchase Agreement) as disclosed in Shoucheng’s Supplemental Announcement is set out below:

Subject Matter	Original terms in the Sale and Purchase Agreement as disclosed in the Announcement based on Shoucheng’s Announcement	Key amendments in the Amended and Restated Sale and Purchase Agreement as disclosed in Shoucheng’s Supplemental Announcement
<i>Subject of transfer</i>	<ul style="list-style-type: none"> The subject of transfer under the Proposed Restructuring was the entire issued share capital of each of Fair Gain, Fine Power and Excel Bond, which in aggregate held approximately 28.98% of the total issued Shares; 	<ul style="list-style-type: none"> the subject of transfer under the Proposed Restructuring (instead of being the entire issued share capital of each of the Subject Companies) shall be one (1) ordinary share in the issued share capital of Excel Bond (the “Revised Sale Share”), representing the entire issued share capital of Excel Bond. <p>Based on Shoucheng’s Supplemental Announcement, as at completion of the sale and purchase of the Revised Sale Share pursuant to the terms and conditions of the Amended and Restated Sale and Purchase Agreement (the “Revised Proposed Restructuring”), Excel Bond will indirectly hold 600,000,000 Shares, representing approximately 11.88% of the total issued Shares;</p>

Subject Matter	Original terms in the Sale and Purchase Agreement as disclosed in the Announcement based on Shoucheng’s Announcement	Key amendments in the Amended and Restated Sale and Purchase Agreement as disclosed in Shoucheng’s Supplemental Announcement
<i>Consideration</i>	<ul style="list-style-type: none"> the consideration for the entire issued share capital of the Subject Companies was HK\$3,513,509,976, which reflected an indirect transfer of 1,463,962,490 Shares at a consideration of HK\$2.40 per Share; 	<ul style="list-style-type: none"> the consideration for the Revised Sale Share is HK\$1,440,000,000, which reflects an indirect transfer of 600,000,000 Shares at a consideration of HK\$2.40 per Share, being the same price per Share as disclosed in Shoucheng’s Announcement; and
<i>Conditions</i>	<ul style="list-style-type: none"> Completion of the Proposed Restructuring was subject to and conditional upon the fulfillment (or waiver thereof, if applicable) of, among others, the Rule 26.1 Condition and Rule 25 Condition. 	<ul style="list-style-type: none"> the Rule 26.1 Condition and the Rule 25 Condition are removed and a new condition to which the completion of the Revised Proposed Restructuring is subject, being the transfer of 50,954,000 Shares (representing approximately 1.01% of the total issued Shares) from Ultimate Capital Limited (“Ultimate Capital”) to Fair Gain (with each of Ultimate Capital and Fair Gain being wholly-owned subsidiary of the Vendor) (the “Internal Transfer”) having been completed and which is non-waivable, is added.

The followings are the simplified shareholding structures of the Company, Shoucheng and Excel Bond (i) as at the date of Shoucheng’s Supplemental Announcement; (ii) immediately after completion of the Internal Transfer and before completion of the Revised Proposed Restructuring and (iii) immediately after completion of the Revised Proposed Restructuring as set out in Shoucheng’s Supplemental Announcement:

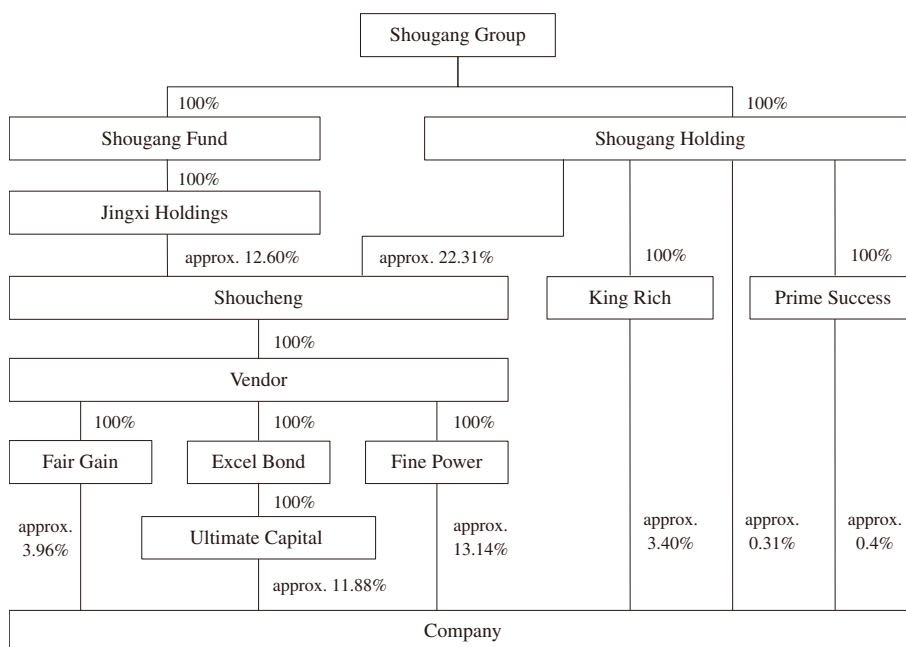
(i) As at the date of Shoucheng’s Supplemental Announcement and prior to completion of the Internal Transfer



Note:

Based on Shoucheng’s Supplemental Announcement, as at the date of Shoucheng’s Supplemental Announcement, Shoucheng is held as to 34.91% by Shougang Group through its associated companies, of which 22.31% shareholding in Shoucheng is directly and indirectly held by Shougang Holding through a number of its subsidiaries.

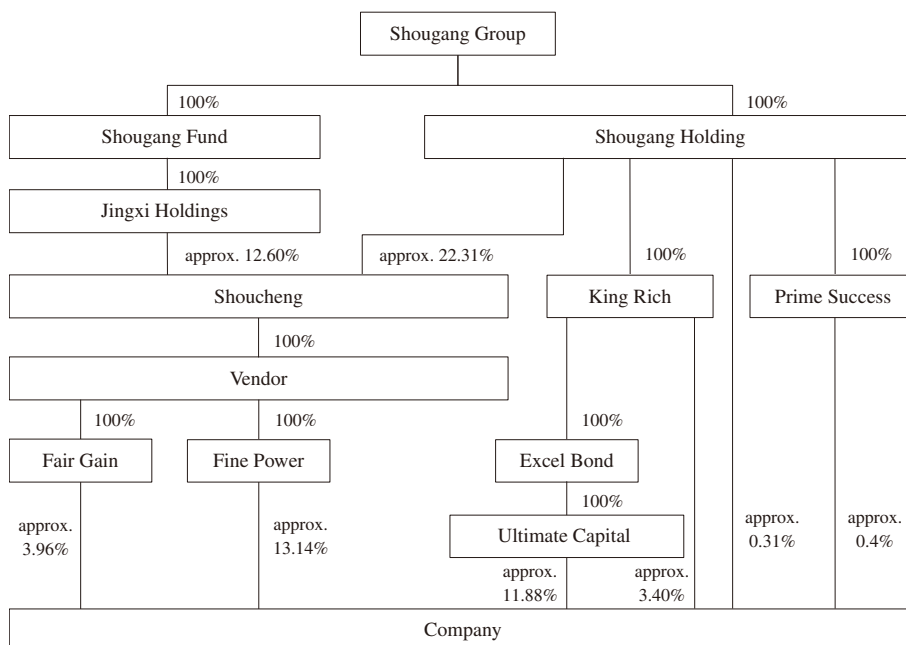
(ii) Immediately after completion of the Internal Transfer and before completion of the Revised Proposed Restructuring



Note:

Based on Shoucheng's Supplemental Announcement, as at the date of Shoucheng's Supplemental Announcement, Shoucheng is held as to 34.91% by Shougang Group through its associated companies, of which 22.31% shareholding in Shoucheng is directly and indirectly held by Shougang Holding through a number of its subsidiaries.

(iii) Immediately after completion of the Revised Proposed Restructuring



Note:

Based on Shoucheng's Supplemental Announcement, as at the date of Shoucheng's Supplemental Announcement, Shoucheng is held as to 34.91% by Shougang Group through its associated companies, of which 22.31% shareholdings in Shoucheng is directly and indirectly held by Shougang Holding through a number of its subsidiaries.

As disclosed in Shoucheng's Announcement, Shougang Holding and King Rich have applied to the Executive for a Rule 26.1 Waiver.

As further disclosed in Shoucheng's Supplemental Announcement, Shougang Holding and King Rich did not successfully obtain a Rule 26.1 Waiver from the Executive subsequent to the publication of Shoucheng's Announcement, and they, as at the date of Shoucheng's Supplemental Announcement, have received a confirmation from the Executive that no obligation will arise on the parts of Shougang Holding and King Rich under Rule 26.1 of the Takeovers Code to make a mandatory offer for the Shares as a result of the Revised Proposed Restructuring.

As the completion of the Revised Proposed Restructuring is subject to the satisfaction of the conditions precedent prescribed under the Amended and Restated Sale and Purchase Agreement, the Revised Proposed Restructuring may or may not materialize. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Shougang Fushan Resources Group Limited
Ding Rucai
Chairman of the Board

Hong Kong, 18 February 2021

As at the date of this announcement, the Board comprises Mr. Ding Rucai (Chairman), Mr. Fan Wenli (Managing Director), Mr. Chen Zhaoqiang (Deputy Managing Director), Mr. Liu Qingshan (Deputy Managing Director), Mr. Wang Dongming (Executive Director), Ms. Chang Cun (Non-executive Director), Mr. Shi Yubao (Non-executive Director), Mr. Kee Wah Sze (Independent Non-executive Director), Mr. Choi Wai Yin (Independent Non-executive Director), Mr. Japhet Sebastian Law (Independent Non-executive Director) and Mr. Chen Jianxiong (Independent Non-executive Director).

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.