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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 Wednesday, 31 May 2023 at Empire Grand Room, 1st Floor, The Empire Hotel Hong Kong, 33 Hennessy Road, Wan Chai, Hong Kong is set out on pages 13 to 16 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable and in any event not later than 48 hours (not taken public holiday into account) before the time appointed for holding the Annual General Meeting (i.e. at or before 10:30a.m. on Monday, 29 May 2023 (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.

No refreshments or drinks, and corporate gifts or gift coupons will be provided at the Annual General Meeting.

28 April 2023

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DEFINITIONS

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

“2022 Annual General Meeting”	the annual general meeting of the Company held on 28 June 2022
“Annual General Meeting”	the annual general meeting of the Company to be held at 10:30 a.m. on Wednesday, 31 May 2023 at Empire Grand Room, 1st Floor, The Empire Hotel Hong Kong, 33 Hennessy Road, Wan Chai, Hong Kong or any adjournment thereof
“ASX”	stock code on the Australian Securities Exchange Limited
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors
“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 (SEHK: 639)
“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
“Funde Sino Life”	Funde Sino Life Insurance Co., Ltd., a substantial shareholder 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
“Independent Non-executive Director(s)”	the independent non-executive director(s) of the Company

DEFINITIONS

“Latest Practicable Date”	21 April 2023, 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 Share(s)
“Shougang Group”	Shougang Group Co., Ltd., the holding company of Shougang Holding
“Shougang Holding”	Shougang Holding (Hong Kong) Limited, a substantial shareholder of each of the Company and Shoucheng Holdings Limited (SEHK: 697)
“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
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Ding Rucai (*Chairman*)

Fan Wenli (*Managing Director*)

Chen Zhaoqiang (*Deputy Managing Director*)

Liu Qingshan (*Deputy Managing Director*)

Wang Dongming (*Deputy Managing Director*)

*Registered office and principal place of
business in Hong Kong:*

6th Floor

Bank of East Asia Harbour View Centre

56 Gloucester Road

Wanchai

Hong Kong

Non-executive Directors:

Chang Cun

Shi Yubao

Independent Non-executive Directors:

Choi Wai Yin

Japhet Sebastian Law

Chen Jianxiong

Shen Zongbin

28 April 2023

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

The mandates to issue and buy back Shares granted at the 2022 Annual General Meeting will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility 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.

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 issue any new Shares or to buy back any Shares pursuant to the relevant mandates.

Based on 5,051,837,842 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 resolution at the Annual General Meeting to approve the general mandate to issue Shares, the Directors will be authorised to allot and issue up to a limit of 1,010,367,568 new 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. Liu Qingshan, Mr. Wang Dongming and Mr. Choi Wai Yin will retire at the Annual General Meeting by rotation.

As Mr. Liu Qingshan will retire by rotation this year and wishes to devote more time to the project development of the Group, he will not seek re-election and will retire after the conclusion of the Annual General Meeting. Mr. Liu will continue to serve within the Group. All other three retiring Directors, being eligible, offer themselves for re-election at the Annual General Meeting. The re-election of each of these retiring Directors will be individually voted on by Shareholders.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Mr. Choi Wai Yin (“**Mr. Choi**”) and Mr. Japhet Sebastian Law (“**Mr. Law**”) have been serving as Independent Non-executive Directors for more than 9 years. Code Provision B.2.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (the “**Code B.2.3**”) stipulated that (a) serving for more than nine years could be relevant to the determination of a non-executive director’s independence; and (b) if an independent non-executive director serves more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders.

The Nomination Committee and the Board have reviewed and assessed the independence of Mr. Choi and Mr. Law, and formed the view that as Mr. Choi and Mr. Law have not engaged in any executive management of the Group, their independence is not affected by their tenure with the Company, and their character, integrity, ability and experience will continue to effectively fulfill their roles as Independent Non-executive Directors and be of significant benefit to the Company, despite the fact that they have served the Company for more than 9 years. A separate resolution will be proposed for the re-election of Mr. Choi as an Independent Non-executive Director for the Shareholders’ approval at the Annual General Meeting pursuant to the Code B.2.3.

During the process to identify the individual and to consider whether the individual is independent, the Nomination Committee has made recommendation to the Board with reference to the nomination principles and criteria set out in the Company’s Board Diversity Policy and Director Nomination Policy, the Company’s corporate strategy, the structure and composition of the Board, the confirmations and disclosures given by the Independent Non-executive Directors, the qualifications, skills and experience, time commitment and contribution of them. None of the proposed Independent Non-executive Directors will be holding their seventh (or more) listed company directorship.

All Independent Non-executive Directors 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. Each of them had submitted to the Stock Exchange a written confirmation concerning his independence to the Company and had also given to the Company an annual confirmation of his independence. Having regard to the written confirmations made in accordance to Rule 3.13 of the Listing Rules, as well as the character, integrity, independence, experience and the actual contributions of each Independent Non-executive Director, the Board concluded that each of them (including Independent Non-executive Directors not being re-elected at the Annual General Meeting) is independent from the Company, is able to devote sufficient time to the Board, can bring to the Board different perspectives, skills and experience, and contributes to diversity of the Board.

The biographical details showing the skills and experience (as at the Latest Practicable Date), the interests in the Shares 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 2022 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.

LETTER FROM THE BOARD

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 of new Shares and buy back of issued 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 of the meeting, 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.

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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event not later than 48 hours (not taken public holiday into account) before the time appointed for holding the Annual General Meeting (i.e. at or before 10:30 a.m. on Monday, 29 May 2023 (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 5,051,837,842 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 505,183,784 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 should 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 (if any) of the Company as compared with the position disclosed in its most recent published audited financial statements for the year ended 31 December 2022. 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 (if any) 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 purpose of the Takeovers Code. As a result, 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 a buying back company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

According to the best knowledge of the Company, at the Latest Practicable Date, Shougang Group together with its close associates and Funde Sino Life were interested in approximately 34.19% and 31.47% of the total number of Shares in issue respectively. Assuming the shareholdings of Shougang Group together with its close associates and Funde Sino Life remain unchanged and no further Shares are issued during the proposed buy-back period, full exercise of the Buy-back Mandate by the Company would result in an increase in the aggregate interest of Shougang Group together with its close associates and Funde Sino Life to approximately 37.99% and 34.97% of the issued Shares respectively. Such increase in the interest of over 2% in any 12-month period would oblige Shougang Group or/and Funde Sino Life to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors have no present intention to buy back Shares to such extent that would give rise to Shougang Group or/and 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>
2022		
April	3.38	2.80
May	3.55	2.78
June	3.86	3.02
July	3.35	2.73
August	2.91	2.49
September	2.79	2.24
October	2.45	2.11
November	2.68	2.13
December	2.71	2.45
2023		
January	2.96	2.47
February	2.92	2.51
March	2.73	2.36
April (up to the Latest Practicable Date)	2.74	2.42

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 58, had acted as a deputy general manager of the Company since August 2014, then was appointed as the vice chairman of the Board, an Executive Director and managing director of the Company in September 2014 and was re-designated as the Chairman from 29 January 2018. Mr. Ding is also the chairman of each of the Executive Committee and the Nomination Committee, a member of the Remuneration Committee, and a director of certain subsidiaries of the Company.

Mr. Ding is a senior engineer in professor grade. He 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 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.

Previously, Mr. Ding was an executive director and the deputy managing director of Shougang Concord International Enterprises Company Limited (now known as Shoucheng Holdings Limited) (SEHK: 697), a listed company in Hong Kong.

Currently, Mr. Ding is a non-executive director of Mount Gibson Iron Limited (ASX: MGX), a company listed on the Australian Securities Exchange Limited. He also holds several senior positions in the group companies of Shougang Group, including the positions as a director and deputy managing director of Shougang Holding.

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 directorships 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 agreement entered into between Mr. Ding and a wholly-owned subsidiary of the Company, there is no fixed term of appointment, but is subject to retirement by rotation and re-election in accordance with the Listing Rules and the articles of association of the Company. Pursuant to the service agreement, he is entitled to a monthly salary (current: HK\$260,000/month) and discretionary bonus as may be determined by the Board or its delegated committee(s) from time to time. As disclosed in note 14 to the consolidated financial statements in the Company's 2022 annual report, the total remuneration (including retirement benefits scheme contributions) paid for the year ended 31 December 2022 to Mr. Ding is HK\$3,138,000. Such remuneration 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, experience and duties.

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) Wang Dongming

Mr. Wang Dongming, aged 48, was appointed Executive Director in June 2020 and further appointed as a deputy managing director of the Company in November 2021. He is also a member of the Executive Committee and a director of certain subsidiaries of the Company.

Mr. Wang graduated from the University of Wales with a master degree in business administration. He has extensive experience in the fields of trading of mineral resources, investment and capital operation, and has also been awarded the practicing certificates in the asset management and securities categories by the Hong Kong Securities and Investment Institute respectively.

Mr. Wang had been working in Shougang Group for years, during which he served as the assistant general manager of Shougang International Mineral Resources Corporation to handle various overseas acquisition projects in relation to mineral resources. He had also acted as the assistant general manager of the Company. Mr. Wang had been the general manager of the investment department at Shougang Holding prior to his appointment as a deputy managing director of the Company in 2021.

Save as disclosed above, Mr. Wang has no other relationships with any other Directors, senior management of the Company or substantial or controlling Shareholders nor did Mr. Wang hold any directorships 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 agreement entered into between Mr. Wang and a wholly-owned subsidiary of the Company, there is no fixed term of appointment, but is subject to retirement by rotation and re-election in accordance with the Listing Rules and the articles of association of the Company. Pursuant to the service agreement, he is entitled to a monthly salary (current: HK\$200,000/month) and discretionary bonus as may be determined by the Board or its delegated committee(s) from time to time. As disclosed in note 14 to the consolidated financial statements in the Company's 2022 annual report, the total remuneration (including retirement benefits scheme contributions) paid for the year ended 31 December 2022 to Mr. Wang is HK\$2,418,000. Such remuneration was determined by the Remuneration Committee with reference to the then prevailing market conditions, the performance of the Company as well as Mr. Wang's individual performance, experience and duties.

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

(3) Choi Wai Yin

Mr. Choi Wai Yin, aged 64, was appointed 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.

Mr. Choi 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. He has extensive experience in the fields of finance and fund management.

Currently, he is a director and a responsible officer of Success Talent Global Limited, a company carrying the asset management business. Mr. Choi is also an investment adviser registered under the SFO.

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 directorships 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 between Mr. Choi and the Company with no fixed term of appointment, but is subject to retirement by rotation and re-election in accordance with the Listing Rules and the articles of association of the Company. Under the engagement letter, Mr. Choi is entitled to a director's fee (current: HK\$35,000/month) as may be determined by the Board from time to time. As disclosed in note 14 to the consolidated financial statements in the Company's 2022 annual report, the amount of director's fee paid for the year ended 31 December 2022 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 650,000 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 Wednesday, 31 May 2023 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 2022.
2. To declare a final dividend for the year ended 31 December 2022. *(Note 1)*
3. To re-elect the retiring directors. *(Note 2)*
4. To re-appoint the auditor and to authorise the board of 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;

NOTICE OF ANNUAL GENERAL MEETING

(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 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;

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- (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;
- (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
Ding Rucai
Chairman

Hong Kong, 28 April 2023

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Notes:

- (1) With respect to Resolution 2 above, the board of directors of the Company recommended a final dividend of HK28 cents per ordinary share for the year ended 31 December 2022 payable to shareholders whose names appear on the register of members of the Company at the close of business on Monday, 12 June 2023.

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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 12 June 2023 for registration. The final dividend is expected to be paid on or about Friday, 28 July 2023.

- (2) With respect to Resolution 3 above, the directors being re-elected are Mr. Ding Rucai, Mr. Wang Dongming and Mr. Choi Wai Yin.
- (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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours (not taken public holiday into account) before the time appointed for holding the Annual General Meeting (i.e. at or before 10:30 a.m. on Monday, 29 May 2023 (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 Thursday, 25 May 2023 to Wednesday, 31 May 2023 (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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 24 May 2023 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.
- (10) No refreshments or drinks, and corporate gifts or gift coupons will be provided at the Annual General Meeting.