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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)

**CONDITIONAL CASH OFFER BY
OCTAL CAPITAL LIMITED ON BEHALF OF
SHOUGANG FUSHAN RESOURCES GROUP LIMITED
TO BUY-BACK UP TO 250,000,000 SHARES FOR HK\$2.00 PER SHARE
INVOLVING APPLICATIONS FOR WHITEWASH WAIVERS**

CLOSE AND RESULTS OF THE OFFER

Financial adviser to the Company



The Company announces that the Offer has closed at the Latest Acceptance Time, being 4:00 p.m. on Thursday, 17 September 2020. As at the Latest Acceptance Time, valid acceptances in respect of a total of 995,246,227 Shares were received by the Registrar from the Accepting Shareholders under the Offer, representing approximately 398.10% of the Maximum Number of Shares to be bought back by the Company under the Offer and approximately 18.77% of the total number of issued Shares as at the date of this announcement.

As the Shares tendered under the Offer exceeded the Maximum Number of Shares, the total number of Shares to be bought back by the Company from each Accepting Shareholder will be determined in accordance with the formula set out in the Offer Document. As a result, a total of 250,000,000 Shares, being the Maximum Number of Shares, will be bought back and cancelled by the Company on Completion, which is expected to take place on Monday, 28 September 2020. The total consideration payable by the Company for buying back the said Shares pursuant to the Offer is HK\$500,000,000.

As at the date of this announcement, (i) the Funde Shareholder was beneficially interested in 1,590,100,000 Shares, representing approximately 29.99% of the total issued Shares; and (ii) the Shougang Shareholders were beneficially interested in 1,582,864,490 Shares, representing approximately 29.85% of the total issued Shares.

Immediately after Completion, the aggregate interests in the total issued Shares held by (i) the Funde Concert Group will increase from approximately 29.99% to approximately 31.48% and (ii) the Shougang Concert Group will increase from approximately 29.85% to approximately 31.33%.

The Registrar will send, by ordinary post at the Accepting Shareholder's own risk, a cheque for such total amount due to the individual Accepting Shareholder under the Offer (subject to deduction of the seller's ad valorem stamp duty due on the buy-back of the Shares from the amount payable in cash) and, if the Shares tendered under the Offer by the Accepting Shareholder have not been bought-back by the Company in full, the Title Documents in respect of the balance of such Shares or a replaced share certificate therefor, within 7 Business Days after the close of the Offer, i.e. on or before Monday, 28 September 2020.

References are made to (i) the offer document (the "**Offer Document**") of Shougang Fushan Resources Group Limited (the "**Company**") dated 19 August 2020 in relation to the Offer and the Whitewash Waivers, and (ii) the announcement of the Company dated 3 September 2020 in relation to the poll results of the General Meeting (the "**Poll Results Announcement**"). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Offer Document.

As disclosed in the Poll Results Announcement, following approval of the Independent Shareholders for the Offer and the Whitewash Waivers at the General Meeting, the Offer has become unconditional on Thursday, 3 September 2020 and would remain open for acceptance for a period of 14 days thereafter. The Offer has closed at 4:00 p.m. on Thursday, 17 September 2020.

CLOSE AND RESULTS OF THE OFFER

The Company announces that the Offer has closed at 4:00 p.m. on Thursday, 17 September 2020. As at the Latest Acceptance Time, valid acceptances in respect of a total of 995,246,227 Shares (the “**Accepted Shares**”) were received by the Registrar from the Accepting Shareholders under the Offer, representing approximately 398.10% of the Maximum Number of Shares to be bought-back by the Company under the Offer and approximately 18.77% of the total number of issued Shares as at the date of this announcement.

As the Shares tendered under the Offer exceeded the Maximum Number of Shares, the total number of Shares to be bought-back by the Company from each Accepting Shareholder will be determined in accordance with the below formula:

$$\frac{A}{B} \times C$$

A = 250,000,000 Shares, being the Maximum Number of Shares

B = Total number of Shares tendered by all Accepting Shareholders under the Offer (i.e. 995,246,227 Shares, being the Accepted Shares)

C = Total number of Shares tendered by the relevant individual Accepting Shareholder under the Offer

The Accepted Shares tendered under the Offer exceeded the Maximum Number of Shares. As a result, a total of 250,000,000 Shares, being the Maximum Number of Shares, will be bought back and cancelled by the Company. The total consideration payable by the Company for buying back the Maximum Number of Shares pursuant to the Offer is HK\$500,000,000. The completion of the Offer upon cancellation of the Shares bought-back by the Company (the “**Completion**”) is expected to take place on Monday, 28 September 2020.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below shows the shareholding structure of the Company (i) as at the date of this announcement and immediately after the close of the Offer; and (ii) immediately after Completion.

Name of Shareholders	As at the date of this announcement and immediately after the close of the Offer		Immediately after Completion ^{Note(ix)}	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Substantial Shareholders:				
The Funde Shareholder ^{Note (i)}	1,590,100,000	29.99	1,590,100,000	31.48
The Shougang Shareholders ^{Note (ii)}				
Fine Power Group Limited	663,918,497	12.52	663,918,497	13.14
Ultimate Capital Limited	650,000,000	12.26	650,000,000	12.87
Fair Gain Investments Limited	149,089,993	2.81	149,089,993	2.95
King Rich Group Limited	83,000,000	1.57	83,000,000	1.64
Prime Success Investments Limited	20,410,000	0.38	20,410,000	0.40
Shougang Holding (Hong Kong) Limited	15,492,000	0.29	15,492,000	0.31
Shoucheng Holdings	954,000	0.02	954,000	0.02
<i>Sub-total</i>	<i>1,582,864,490</i>	<i>29.85</i>	<i>1,582,864,490</i>	<i>31.33</i>
Directors and their respective concert parties (if any)^{Note(x)} who hold the Shares:				
Mr. Ding Rucai ^{Note (iii)}	120,000	0.002	120,000	0.002
Mr. Chen Zhaoqiang ^{Note (iv)}	2,680,000	0.051	2,006,800	0.040
Mr. Kee Wah Sze ^{Note (v)}	700,000	0.013	700,000	0.014
Mr. Choi Wai Yin ^{Note (vi)}	120,000	0.002	120,000	0.002
<i>Sub-total</i>	<i>3,620,000</i>	<i>0.068</i>	<i>2,946,800</i>	<i>0.058</i>

Name of Shareholders	As at the date of this announcement and immediately after the close of the Offer		Immediately after Completion ^{Note(ix)}	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Persons who were Directors in the past 12 months and hold the Shares:				
Mr. So Kwok Hoo ^{Note (vii)}	4,000,000	0.075	2,995,224	0.059
Mr. Chan Pat Lam ^{Note (viii)}	<u>250,000</u>	<u>0.005</u>	<u>187,201</u>	<u>0.004</u>
Public Shareholders	<u>2,121,003,352</u>	<u>40.012</u>	<u>1,872,744,127</u>	<u>37.069</u>
Total	<u>5,301,837,842</u>	<u>100.00</u>	<u>5,051,837,842</u>	<u>100.00</u>

Notes:

- (i) As informed by Funde Sino Life, Funde Sino Life was interested in approximately 29.99% of the total number of Shares as at the date of this announcement.
- (ii) Pursuant to the information published on the website of the Stock Exchange, Shougang Group Co., Ltd. was interested in the Shares held by its associated companies, namely, Shougang Holding (Hong Kong) Limited (a company wholly-owned by Shougang Group Co., Ltd., holding 15,492,000 Shares), King Rich Group Limited (a company wholly-owned by Shougang Holding (Hong Kong) Limited, holding 83,000,000 Shares), Prime Success Investments Limited (a company wholly-owned by Shougang Holding (Hong Kong) Limited, holding 20,410,000 Shares), Shoucheng Holdings (holding 954,000 Shares), Fair Gain Investments Limited (a company wholly-owned by Shoucheng Holdings, holding 149,089,993 Shares), Fine Power Group Limited (a company wholly-owned by Shoucheng Holdings, holding 663,918,497 Shares), and Ultimate Capital Limited (a company wholly-owned indirectly by Shoucheng Holdings, holding 650,000,000 Shares).
- (iii) Mr. Ding Rucai is an executive Director and the Chairman of the Company.
- (iv) Mr. Chen Zhaoqiang is an executive Director.
- (v) Mr. Kee Wah Sze is an independent non-executive Director.
- (vi) Mr. Choi Wai Yin is an independent non-executive Director.
- (vii) Mr. So Kwok Hoo ceased to be an executive Director since 21 May 2020 and does not have material interests in the Offer which is different from the interests of all other Shareholders and was not involved in and/or interested in the Offer and the Whitewash Waivers.

- (viii) Mr. Chan Pat Lam (“**Mr. Chan**”) ceased to be an independent non-executive Director since 21 May 2020 and does not have material interests in the Offer which is different from the interests of all other Shareholders and was not involved in and/or interested in the Offer and the Whitewash Waivers. As informed by Mr. Chan, he and his spouse were holding 250,000 Shares as at the date of this announcement and immediately after the close of the Offer.
- (ix) Among the Accepted Shares, valid acceptance in respect of 2,680,000 Shares was received by the Registrar from Mr. Chen Zhaoqiang, a Director, representing approximately 0.27% of the total number of the Accepted Shares. Save as disclosed above, no other valid acceptance was received by the Registrar under the Offer from persons acting in concert with the Company.
- (x) None of the persons acting in concert with the Directors is interested in the shareholdings (as defined under Note 1 to paragraph 5 of Schedule III of the Codes) in the Company.

As at the date of this announcement, (i) the Funde Shareholder was beneficially interested in 1,590,100,000 Shares, representing approximately 29.99% of the total issued Shares; and (ii) the Shougang Shareholders were beneficially interested in 1,582,864,490 Shares, representing approximately 29.85% of the total issued Shares.

Immediately after Completion, the aggregate interests in the total issued Shares held by (i) the Funde Concert Group will increase from approximately 29.99% to approximately 31.48% and (ii) the Shougang Concert Group will increase from approximately 29.85% to approximately 31.33%.

Immediately before 20 July 2020 (being the commencement date of the Offer Period), the Company and parties acting in concert with it were interested in an aggregate of 3,176,584,490 Shares, representing approximately 59.91% of the total number of issued Shares. Save as the foregoing, neither the Company nor parties acting in concert with it held, controlled or directed any Shares and rights over Shares immediately before the Offer Period.

As at the date of this announcement, the Company and parties acting in concert with it were interested in an aggregate of 3,176,584,490 Shares, representing approximately 59.91% of the total number of issued Shares.

Save for the Accepted Shares, none of the Company nor parties acting in concert with it has acquired or agreed to acquire any Shares or rights over Shares during the Offer Period.

None of the Company nor parties acting in concert with it has borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in the Company during the Offer Period.

SETTLEMENT

The Registrar will send, by ordinary post at the Accepting Shareholder's own risk, a cheque for such total amount due to the individual Accepting Shareholder under the Offer (subject to deduction of the seller's ad valorem stamp duty due on the buy-back of the Shares from the amount payable in cash) and, if the Shares tendered under the Offer by the Accepting Shareholder have not been bought back by the Company in full, the Title Documents in respect of the balance of such Shares or a replaced share certificate therefor, within 7 Business Days after the close of the Offer, i.e. on or before Monday, 28 September 2020.

ODD LOTS ARRANGEMENT

Sanfull Securities Limited, whose address is at Suite 2001-6, 20/F, Cosco Tower, 183 Queen's Road Central, Hong Kong (contact person: Mr. Billy Chan; telephone number: 2853 2211) has been appointed by the Company as the designated broker to match sales and purchases of odd lot holdings of Shares in the market for a period of six weeks from the Completion to enable odd lot Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots of 2,000 Shares. Odd lot Shareholders should note that the matching of odd lots is not guaranteed.

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

Hong Kong, 17 September 2020

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.