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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**

COMPLETION OF THE OFFER

Financial adviser to the Company



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 (the “**Closing Announcement**”) of the Company dated 17 September 2020 in relation to, among other things, the close and results of the Offer. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Offer Document and the Closing Announcement.

The Company announces that the 250,000,000 Shares bought-back by the Company were cancelled and the Offer was completed on Monday, 28 September 2020. As a result, immediately after Completion, the total number of issued Shares was reduced by 250,000,000 Shares from 5,301,837,842 to 5,051,837,842 Shares and the aggregate interests in the total issued Shares held by (i) the Funde Concert Group were increased from approximately 29.99% to approximately 31.48% and (ii) the Shougang Concert Group were increased from approximately 29.85% to approximately 31.33%.

Since the number of Accepted Shares exceeded the Maximum Number of Shares, the total number of Shares bought-back by the Company from each Accepting Shareholder was determined based on the pro-rata calculation (“**Pro-rata Calculation**”) in accordance with the below formula as provided in the Offer Document:

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

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 Maximum Number of Shares bought-back by the Company represents approximately 25.1194% of the Accepted Shares.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below shows the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately after Completion.

Name of Shareholders	Immediately prior to Completion		Immediately after Completion	
	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) 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>
Persons who were Directors in the past 12 months and hold the Shares:				
Mr. So Kwok Hoo ^{Note (vii)}	4,050,000	0.076	3,045,224	0.060
Mr. Chan Pat Lam ^{Note (viii)}	250,000	0.005	187,201	0.004
<i>Sub-total</i>	<i>4,300,000</i>	<i>0.081</i>	<i>3,232,425</i>	<i>0.064</i>
Public Shareholders	2,120,953,352	40.011	1,872,694,127	37.068
Total	5,301,837,842	100.00	5,051,837,842	100.00

Notes:

- (i) As informed by Funde Sino Life, which undertook not to accept the Offer in respect of the Shares held by it, 1,590,100,000 Shares were held by Funde Sino Life immediately prior to and after Completion, representing approximately 29.99% and 31.48% of the total issued Shares immediately prior to and after Completion respectively.
- (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). As Shougang Shareholders undertook not to accept the Offer in respect of the Shares held by them, 1,582,864,490 Shares were held by Shougang Concert Group immediately prior to and after Completion, representing approximately 29.85% and 31.33% of the total issued Shares immediately prior to and after Completion respectively.
- (iii) Mr. Ding Rucai is an executive Director and the Chairman of the Company and he did not accept the Offer in respect of the Shares held by him.
- (iv) Mr. Chen Zhaoqiang is an executive Director. As he tendered a valid acceptance in respect of all the 2,680,000 Shares held by him immediately prior to Completion, based on the Pro-rata Calculation, the total number of Shares bought-back from him was 673,200 Shares.
- (v) Mr. Kee Wah Sze is an independent non-executive Director and he did not accept the Offer in respect of the Shares held by him.
- (vi) Mr. Choi Wai Yin is an independent non-executive Director and he did not accept the Offer in respect of the Shares held by him.
- (vii) Mr. So Kwok Hoo (“**Mr. So**”) 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. As Mr. So tendered a valid acceptance in respect of 4,000,000 Shares held by him, based on the Pro-rata Calculation, the total number of Shares bought-back from Mr. So was 1,004,776 Shares.

(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 Mr. Chan tendered a valid acceptance in respect of all the 250,000 Shares held by him and his spouse immediately prior to Completion, based on the Pro-rata Calculation, the total number of Shares bought-back from Mr. Chan and his spouse was 62,799 Shares.

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

Hong Kong, 28 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.