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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

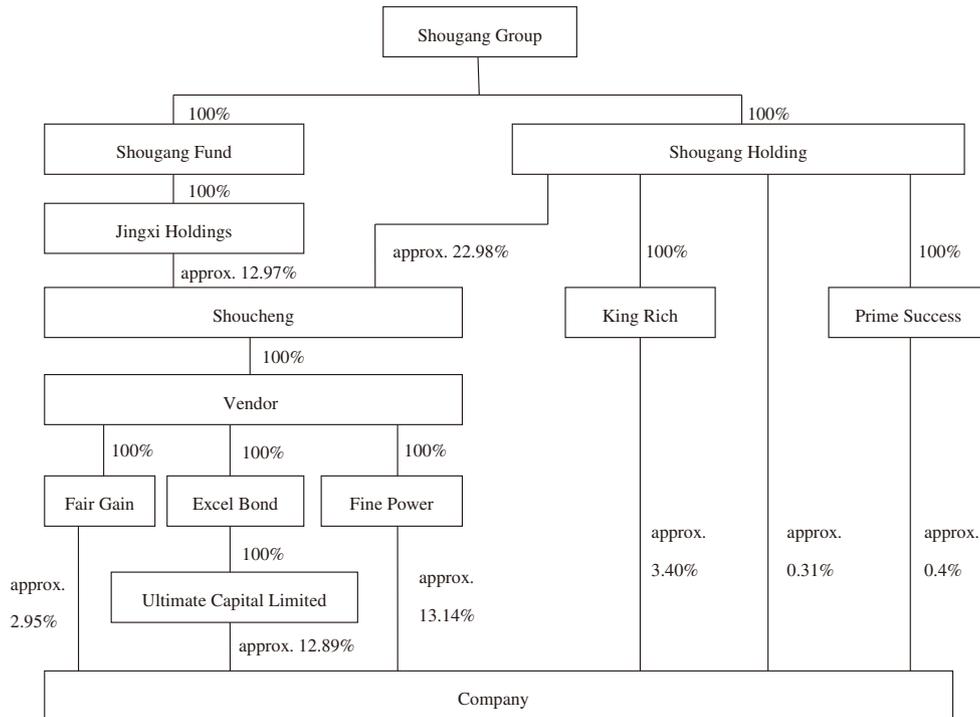
**IN RELATION TO PROPOSED RESTRUCTURING
AT SHAREHOLDER LEVEL**

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).

On 15 January 2021, the Company has been informed by Shoucheng that it has issued an announcement on the same date on the Stock Exchange (“**Shoucheng’s Announcement**”) whereby it has been announced that, on 15 January 2021, the Vendor entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the entire issued share capital of each of the Subject Companies, at a consideration of HK\$3,513,509,976 (the “**Proposed Restructuring**”). Based on Shoucheng’s Announcement, the Subject Companies hold, directly and indirectly, approximately 28.98% in aggregate of total issued Shares as at the date of Shoucheng’s Announcement.

The followings are the simplified shareholding structures of the Company, Shoucheng and the Subject Companies immediately before and after completion of the Proposed Restructuring as set out in Shoucheng’s Announcement:

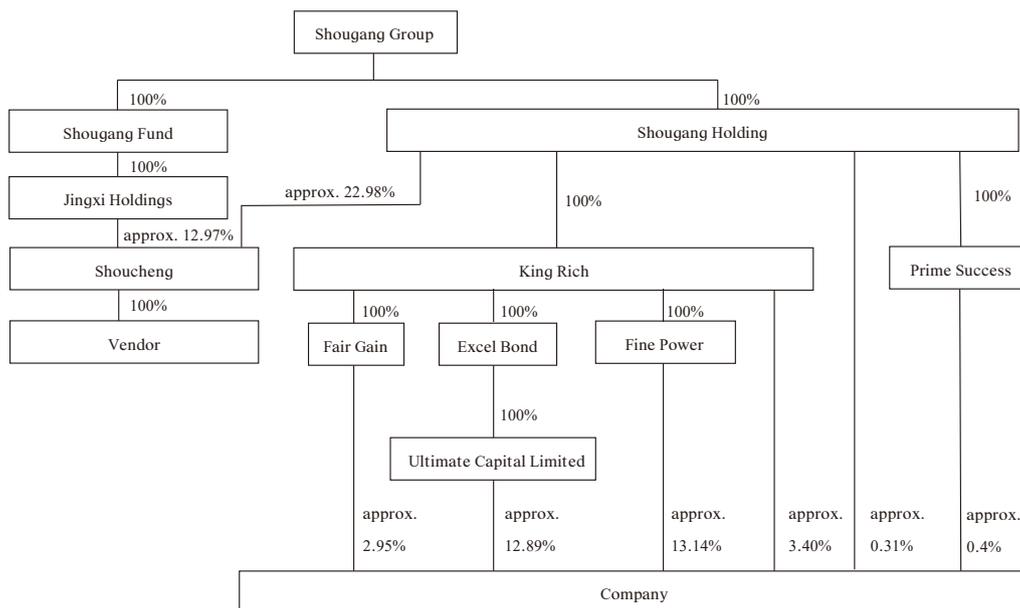
Immediately before completion of the Proposed Restructuring



Note:

Based on Shoucheng's Announcement, as at the date of Shoucheng's Announcement, Shoucheng is held as to 35.95% by Shougang Group through its associated companies, of which 22.98% shareholding in Shoucheng is directly and indirectly held by Shougang Holding through a number of its subsidiaries.

Immediately after completion of the Proposed Restructuring



Note:

Based on Shoucheng's Announcement, as at the date of Shoucheng's Announcement, Shoucheng is held as to 35.95% by Shougang Group through its associated companies, of which 22.98% shareholdings in Shoucheng is directly and indirectly held by Shougang Holding through a number of its subsidiaries.

The Proposed Restructuring may lead to a general offer for all the Shares under the Takeovers Code unless otherwise waived by the Executive. According to Shoucheng’s Announcement, King Rich and Shougang Holding have applied to the Executive for a waiver pursuant to Note 6 to Rule 26.1 of the Takeovers Code as a result of the Proposed Restructuring (the “**Rule 26.1 Waiver**”). Based on Shoucheng’s Announcement, under the Sale and Purchase Agreement, the Rule 26.1 Waiver having been obtained and remaining valid, effective and not subsequently revoked by the Executive and all conditions (if any) imposed by the Executive in respect of such waiver having been satisfied in all respects is one of the conditions precedent which shall be fulfilled in order for the completion of the Proposed Restructuring to take place. Such condition is non-waivable (the “**Rule 26.1 Condition**”).

According to Shoucheng’s Announcement, the Proposed Restructuring is an arrangement between the Vendor (being an indirect Shareholder) and King Rich (being a direct and indirect Shareholder), which is not capable of being extended to all Shareholders and takes place within the six-month period from the close of the Share Buy-back Offer. As such, the Proposed Restructuring may be considered by the Executive as a special deal falling within Rule 25 of the Takeovers Code. According to Shoucheng’s Announcement, following consultation with the Executive pursuant to the Takeovers Code, if necessary, an application will be made to the Executive for its ruling as to whether the Proposed Restructuring constitutes a special deal under Rule 25 of the Takeovers Code and if so, the Executive’s consent thereto pursuant to Rule 25 of the Takeovers Code.

Based on Shoucheng’s Announcement, under the Sale and Purchase Agreement, if necessary after consultation with the Executive pursuant to the Takeovers Code (i) the ruling from the Executive that the Proposed Restructuring does not constitute a special deal referred to under Rule 25 of the Takeovers Code having been obtained or (ii) consent from the Executive having been obtained (in the event that the Proposed Restructuring is considered as a special deal) and remaining valid, effective and not subsequently revoked by the Executive and all conditions (if any) imposed by the Executive in respect of such consent having been satisfied in all respects or (iii) the cessation of application of Rule 25 of the Takeovers Code to the transaction contemplated under the Sale and Purchase Agreement is one of the conditions precedent which shall be fulfilled in order for the completion of the Proposed Restructuring to take place. Such condition is non-waivable unless it is deemed unnecessary after consultation with the Executive pursuant to the Takeovers Code (whereby the same shall become waivable by the parties to the Proposed Restructuring in writing) (the “**Rule 25 Condition**”).

As at the date of Shoucheng’s Announcement, the Executive has not granted any waiver or ruling pursuant to Rule 26.1 and Rule 25 of the Takeovers Code in respect of the Proposed Restructuring. According to Shoucheng’s Announcement, in the event that Rule 26.1 Condition or Rule 25 Condition, as applicable, is/are not fulfilled, the parties to the Proposed Restructuring may negotiate for an alternative arrangement, subject to compliance with the Listing Rules and the Takeovers Code.

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

DEFINITIONS

In this announcement, the following terms and expressions (unless the context otherwise requires) shall have the following respective meanings:

“controlling shareholder”	has the meanings ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Excel Bond”	Excel Bond Investments Limited, a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holding and a wholly-owned subsidiary of the Vendor
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director
“Fine Power”	Fine Power Group Limited, a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holding and a wholly-owned subsidiary of the Vendor
“Fair Gain”	Fair Gain Investments Limited, a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holding and a wholly-owned subsidiary of the Vendor
“Jingxi Holdings”	Jingxi Holdings Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Shougang Fund and an indirect wholly-owned subsidiary of Shougang Group and also a substantial shareholder of Shoucheng as at the date of Shoucheng’s Announcement

“King Rich” or “Purchaser”	King Rich Group Limited, a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment holding and a wholly-owned subsidiary of Shougang Holding
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prime Success”	Prime Success Investments Limited, a wholly-owned subsidiary of Shougang Holding and also a Shareholder as at the date of Shoucheng’s Announcement
“Sale and Purchase Agreement”	a sale and purchase agreement dated 15 January 2021 entered into between King Rich and the Vendor in relation to the Proposed Restructuring
“Share(s)”	the ordinary share(s) of the Company
“Share Buy-back Offer”	the offer by the Company to buy-back 250,000,000 Shares at the price of HK\$2.00 per share, completed on 28 September 2020
“Shareholder(s)”	the holder(s) of Shares
“Shoucheng”	Shoucheng Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0697)
“Shougang Fund”	北京首鋼基金有限公司(Beijing Shougang Fund Co., Ltd.*), a limited liability company established in the PRC and a wholly-owned subsidiary of Shougang Group

“Shougang Group”	首鋼集團有限公司(Shougang Group Co., Ltd.*), a state-owned enterprise established in the PRC and a controlling shareholder of Shoucheng and the Company
“Shougang Holding”	Shougang Holding (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Shougang Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Companies”	collectively, Excel Bond, Fine Power and Fair Gain
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
“Vendor”	Shoujing Yifei Holdings Limited, a company incorporated in Samoa with limited liability which is principally engaged in investment holding and a wholly-owned subsidiary of Shoucheng

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

Hong Kong, 18 January 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.

* For identification purpose only