

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

POSITIVE PROFIT ALERT

This announcement is made by Shougang Fushan Resources Group Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “Board”) would like to inform the shareholders of the Company (the “Shareholders”) and potential investors that, based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the financial year ended 31 December 2021 and other information currently available, the profit attributable to owners of the Company for the year ended 31 December 2021 is expected to be not less than HK\$ 2.4 billion representing a year-on-year (“YoY”) at least significant increase of 122% compared to profit attributable to owners of the Company of approximately HK\$1.08 billion for the year ended 31 December 2020 .

The Board considers that the expected significant increase in profit for the financial year ended 31 December 2021 is mainly attributable to the following factors:

- (1) due to the strong coal demand in the domestic coal market in 2021 especially in the second half of 2021, the average benchmark market selling prices of the Group’s clean coking coal products for the year ended 31 December 2021 significantly surged by approximately 78% YoY. In particular, its average benchmark market selling prices for the second half of 2021 increased by 134% YoY;
- (2) the average exchange rate of Renminbi (“RMB”) against Hong Kong dollars in 2021 rising by approximately 6.7% YoY resulting in the increase in profit, as the Group’s profit is mainly derived from the Group’s coal business of which RMB is the functional currency; and
- (3) the stringent cost controls continuously implemented by the Group.

The above information is only a preliminary assessment by the Board based on the information currently available to it, which has not been finalised and not audited or reviewed by the Company's auditors or audit committee. Accordingly, the actual results of the Group may be different from what is disclosed in this announcement. Shareholders and potential investors of the Company are advised to read the audited final results announcement of the Company for the financial year ended 31 December 2021, which is expected to be published by the end of March 2022.

Further announcements will be made by the Company if there is any significant change in the expected final results of the Group for the financial year ended 31 December 2021 as disclosed in this announcement.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 25 January 2022

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 (Deputy Managing Director), Ms. Chang Cun (Non-executive Director), Mr. Shi Yubao (Non-executive Director), Mr. Choi Wai Yin (Independent Non-executive Director), Mr. Japhet Sebastian Law (Independent Non-executive Director), Mr. Chen Jianxiong (Independent Non-executive Director) and Mr. Shen Zongbin (Independent Non-executive Director).