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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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**

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A notice of annual general meeting of Shougang Fushan Resources Group Limited to be held at 11:00 a.m. on Friday, 18 May 2018 at The Residence, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong is set out on pages 15 to 19 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the meeting (i.e., at or before 11:00 a.m. on Wednesday, 16 May 2018 (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 meeting or any adjourned meeting (as the case may be) should you so wish.

10 April 2018

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 11:00 a.m. on Friday, 18 May 2018 at The Residence, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong or any adjournment thereof
“Audit Committee”	the audit committee of the Board, which was established in October 1999
“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
“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, which was established in May 2009
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Latest Practicable Date”	29 March 2018, 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, which was established in May 2009
“PRC”	the People’s Republic of China but excluding, for the purpose of this circular, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Remuneration Committee”	the remuneration committee of the Board, which was established in September 2005
“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 Shares
“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
“Takeovers Code”	Code on Takeovers and Mergers
“%”	per cent.

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## LETTER FROM THE BOARD

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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)

*Directors:*

Ding Rucai (*Chairman*)  
Li Shaofeng (*Managing Director*)  
So Kwok Hoo (*Deputy Managing Director*)  
Chen Zhaoqiang (*Deputy Managing Director*)  
Liu Qingshan (*Deputy Managing Director*)  
Leung Shun Sang, Tony (*Non-executive Director*)  
Dong Yansheng (*Non-executive Director*)  
Kee Wah Sze (*Independent Non-executive Director*)  
Choi Wai Yin (*Independent Non-executive Director*)  
Chan Pat Lam (*Independent Non-executive Director*)  
Japhet Sebastian Law  
(*Independent Non-executive Director*)

*Registered Office:*

6th Floor  
Bank of East Asia Harbour View Centre  
56 Gloucester Road  
Wanchai  
Hong Kong

10 April 2018

*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.

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## LETTER FROM THE BOARD

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### (2) GENERAL MANDATES 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.

The mandates to issue and buy back Shares granted at the annual general meeting held on 26 May 2017 will lapse at the conclusion of the Annual General Meeting. 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 buy back any Shares or to issue any new Shares pursuant to the relevant mandates.

Based on 5,301,837,842 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 resolutions to approve the mandate to issue Shares at the Annual General Meeting, the Directors will be authorised to allot and issue up to a limit of 1,060,367,568 Shares under the general mandate to issue 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 to 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.

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## LETTER FROM THE BOARD

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### (3) RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 102(A) of the articles of association of the Company, Messrs. Li Shaofeng, So Kwok Hoo, Liu Qingshan and Kee Wah Sze will retire and, being eligible, offer themselves for re-election at the Annual General Meeting.

Details of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are set out as follows:

**Mr. Li Shaofeng**, aged 51, holds a bachelor degree in Automation from University of Science and Technology Beijing. Mr. Li was appointed an Executive Director and the Chairman of the Company in October 2011 and was re-designated as the Managing Director of the Company from 29 January 2018. He is a member of the Executive Committee. Mr. Li joined Shougang Group Co., Ltd. (formerly known as Shougang Corporation) (“Shougang Group”), the current holding company of each of Shougang Holding (Hong Kong) Limited (“Shougang Holding”) and Shougang Concord International Enterprises Company Limited (“Shougang International”), in 1989 and is the vice chairman of Shougang International and a director of each of Ultimate Capital Limited (“Ultimate Capital”) and Fine Power Group Limited (“Fine Power”). Each of Shougang Group, Shougang Holding, Shougang International, Ultimate Capital and Fine Power is a substantial shareholder of the Company within the meaning of Part XV of the SFO. Mr. Li is an executive director of Beijing West Industries International Limited. He is also a non-executive director of Mount Gibson Iron Limited, a company listed on the Australian Securities Exchange. Mr. Li was the chairman of Shougang Concord Century Holdings Limited (“Shougang Century”) from March 2000 to January 2018, the chairman of each of Shougang Concord Grand (Group) Limited (“Shougang Grand”) and Global Digital Creations Holdings Limited (“GDC”) from May 2010 to June 2017, and a director of China Dynamics (Holdings) Limited (“China Dynamics”) from October 2007 to November 2015, all of Shougang Century, Shougang Grand, GDC and China Dynamics are Hong Kong listed companies. Save as disclosed above, Mr. Li does not hold any directorships in other Hong Kong or overseas listed public companies in the last three years and does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Li has extensive experience in management of listed companies, investments and capital operation.

A service contract was entered into between Mr. Li and a wholly-owned subsidiary of the Company commencing on 20 October 2011. Under the service contract, Mr. Li is entitled to a monthly salary as may be determined by the Board or its delegated committee(s) from time to time. For both financial years 2017 and 2018, Mr. Li’s monthly salary is HK\$450,000. Such salary was determined by the Remuneration Committee with reference to the then prevailing market conditions, the performance of the Company as well as Mr. Li’s individual performance.

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## LETTER FROM THE BOARD

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

In relation to the proposed re-election of Mr. Li as a Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

**Mr. So Kwok Hoo**, aged 64, holds bachelor degrees in applied science with major in chemical engineering and business administration in Canada. Mr. So was appointed an Executive Director of the Company in March 1998 and was re-designated as a Deputy Managing Director of the Company in January 2010. He is a member of the Executive Committee. Mr. So is a non-executive director of APAC Resources Limited, a listed company in Hong Kong. Save as disclosed above, Mr. So does not hold any directorships in other Hong Kong or overseas listed public companies in the last three years and does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. He has extensive experience in marketing of electrochemical and industrial products sales in Asia Pacific Region together with property investment experience in Hong Kong.

A service contract was entered into between Mr. So and a wholly-owned subsidiary of the Company commencing on 1 January 2010. Under the service contract, Mr. So is entitled to a monthly salary as may be determined by the Board or its delegated committee(s) from time to time. For financial year 2017, Mr. So's monthly salary is HK\$250,000 and his discretionary bonus is HK\$1,250,000. For financial year 2018, Mr. So's monthly salary is HK\$250,000. Such salary and bonus were determined by the Remuneration Committee with reference to the then prevailing market conditions, the performance of the Company as well as Mr. So's individual performance.

As at the Latest Practicable Date and within the meaning of Part XV of the SFO, Mr. So had a beneficial interest of 4,000,000 Shares.

In relation to the proposed re-election of Mr. So as a Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

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## LETTER FROM THE BOARD

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**Mr. Liu Qingshan**, aged 59, graduated from Shanxi University of Finance and Economics Department of Accounting and obtained a master of business administration from Capital University of Economics and Business. Mr. Liu was appointed an Executive Director of the Company in November 2008 and was re-designated as a Deputy Managing Director of the Company in January 2010. He is a member of the Executive Committee. Before joining the Group, Mr. Liu worked as chief financial controller in Fortune Dragon Group Limited and in other sizable energy resources companies in the PRC. Save as disclosed above, Mr. Liu does not hold any directorships in other Hong Kong or overseas listed public companies in the last three years and does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. He has extensive experience in the fields of accounting and finance in the mining industry in the PRC.

A service contract was entered into between Mr. Liu and a wholly-owned subsidiary of the Company commencing on 1 January 2010. Under the service contract, Mr. Liu is entitled to a monthly salary as may be determined by the Board or its delegated committee(s) from time to time. For financial year 2017, Mr. Liu's monthly salary is HK\$200,000 and his discretionary bonus is HK\$1,000,000. For financial year 2018, Mr. Liu's monthly salary is HK\$200,000. Such salary and bonus were determined by the Remuneration Committee with reference to the then prevailing market conditions, the performance of the Company as well as Mr. Liu's individual performance.

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

In relation to the proposed re-election of Mr. Liu as a Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

**Mr. Kee Wah Sze**, aged 70, holds a master degree in Chinese and comparative law from the City University of Hong Kong and a master degree in law from the People's University of the PRC. Mr. Kee was appointed an Independent Non-executive Director of the Company in April 1997 and is a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee. He was an independent non-executive director of Theme International Holdings Limited, a listed company in Hong Kong, from November 2009 to May 2015. Save as disclosed above, Mr. Kee does not hold any directorships in other Hong Kong or overseas listed public companies in the last three years and does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Kee is a partner of Messrs. Michael Cheuk, Wong & Kee and has been a practicing solicitor in Hong Kong specialized in both the commercial and conveyancing fields for many years. He is a Notary Public of Hong Kong and a China Appointed Attesting Officer.



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## LETTER FROM THE BOARD

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An engagement letter was entered into with Mr. Kee for a term of three years commencing on 1 January 2016. Under the engagement letter, Mr. Kee is entitled to a director's fee as may be determined by the Board from time to time. For both financial years 2017 and 2018, the director's fee of Mr. Kee is HK\$420,000 for a full year. Such director's fee was determined by the Board with reference to Mr. Kee'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. Kee had a beneficial interest of 700,000 Shares.

In relation to the proposed re-election of Mr. Kee as a Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Kee, being an Independent Non-executive Director of the Company, has provided an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules.

Pursuant to code provision A.4.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, any further appointment of independent non-executive director serving more than 9 years should be subject to a separate resolution to be approved by shareholders. Mr. Kee Wah Sze is an Independent Non-executive Director of the Company and has served on the Board for more than 9 years. As an Independent Non-executive Director with extensive experience and knowledge and in-depth understanding of the Company's operations and business, Mr. Kee has expressed objective views and given independent guidance to the Company over the past years. He continues demonstrating a firm commitment to his role. The Nomination Committee and the Board consider that the long service of Mr. Kee would not affect his exercise of independent judgement and are satisfied that Mr. Kee has the required character, integrity and experience to continue fulfilling the role of an Independent Non-executive Director and consider Mr. Kee to be independent. Furthermore, given the extensive knowledge and experience of Mr. Kee, the Nomination Committee and the Board believe that his re-election as a Director is in the best interests of the Company and the Shareholders, and therefore recommend the Shareholders to re-elect Mr. Kee as a Director. A separate resolution will be proposed for his re-election at the Annual General Meeting.

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## **LETTER FROM THE BOARD**

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### **(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 and buy back by the Company of its own 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, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event not later than 48 hours before the time appointed for holding the Annual General Meeting (i.e., at or before 11:00 a.m. on Wednesday, 16 May 2018 (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.

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## LETTER FROM THE BOARD

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### (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 5,301,837,842 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 530,183,784 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 may 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 of the Company as compared with the position disclosed in its most recent published audited accounts for the year ended 31 December 2017. 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 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 purposes of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert 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.

As at the Latest Practicable Date, Shougang Holding (Hong Kong) Limited ("Shougang Holding") together with its close associates and Funde Sino Life Insurance Co., Ltd. ("Funde Sino Life") were interested in approximately 29.85% and 29.99% of the total number of shares of the Company in issue respectively. In the event that the Share Buy-back Mandate is exercised in full and no further Shares are issued during the proposed buy-back period, the total number of Shares held by Shougang Holding together with its close associates and Funde Sino Life will increase to approximately 33.17% and 33.32% of the total number of shares of the Company in issue respectively. Such increases in the interests of the Company would possibly give rise to each of Shougang Holding and Funde Sino Life an obligation to make a mandatory offer under the Takeovers Code. However, the Directors have no present intention to buy back Shares to such extent that would give rise to Shougang Holding or 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 six 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 twelve months were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2017</b>		
April	1.60	1.33
May	1.47	1.25
June	1.46	1.24
July	1.84	1.37
August	1.85	1.61
September	2.04	1.64
October	1.94	1.62
November	1.71	1.44
December	1.69	1.47
<b>2018</b>		
January	1.99	1.68
February	2.68	1.76
March	2.51	1.86

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Shougang Fushan Resources Group Limited (the “Company”) will be held at 11:00 a.m. on Friday, 18 May 2018 at The Residence, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong for the following purposes:

1. To receive the report of the directors and the audited financial statements for the year ended 31 December 2017.
2. To declare a final dividend for the year ended 31 December 2017.
3. To re-elect the retiring directors.
4. To appoint auditor and to authorise the directors to fix its remuneration.
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;



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## NOTICE OF ANNUAL GENERAL MEETING

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- (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).”

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## NOTICE OF ANNUAL GENERAL MEETING

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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;
- (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.”

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## NOTICE OF ANNUAL GENERAL MEETING

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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**  
**Cheng Man Ching**  
*Company Secretary*

Hong Kong, 10 April 2018

*Notes:*

- (1) With respect to Resolution 2 above, the board of directors of the Company recommended a final dividend of HK7.2 cents per ordinary share for the year ended 31 December 2017 payable to shareholders whose names appear on the register of members of the Company at the close of business on Friday, 1 June, 2018.

The board of directors of the Company has declared a special dividend of HK6.3 cents per ordinary share payable to shareholders whose names appear on the register of members of the Company at the close of business on Friday, 1 June 2018.

In order to qualify for the proposed final dividend and the declared special dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Friday, 1 June, 2018 for registration. The final dividend and the special dividend are expected to be paid on or about Thursday, 12 July 2018.

- (2) With respect to Resolution 3 above, Messrs. Li Shaofeng, So Kwok Hoo, Liu Qingshan and Kee Wah Sze will retire from office at the above meeting pursuant to the articles of association of the Company and, being eligible, offer themselves for re-election at the above meeting.
- (3) 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.
- (4) 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (5) 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 notorially certified copy of such power or authority, must be deposited with the share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting (i.e., at or before 11:00 a.m. on Wednesday, 16 May 2018 (Hong Kong time)), or any adjourned meeting thereof (as the case may be).
- (6) The register of members of the Company will be closed from Monday, 14 May 2018 to Friday, 18 May 2018 (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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 11 May 2018 for registration.
- (7) 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.
- (8) 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.