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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)

VOLUNTARY ANNOUNCEMENT

This is a voluntary announcement made by Shougang Fushan Resources Group Limited (the “Company”, the Company together with its subsidiaries, the “Group”).

LISTED INVESTMENT IN AUSTRALIA

The board of directors of the Company (the “Board”) noted that Mount Gibson Iron Limited (“Mount Gibson”), a company listed on the Australian Securities Exchange (ASX: MGX), has released an announcement on 5 December 2014 (the “Mount Gibson Announcement”) in relation to flooding at its Koolan Island mine in the Kimberley, Western Australia.

According to the Mount Gibson Announcement, all non-essential activities on the island have been suspended following the failure of the Main Pit seawall (“Suspension”), and a comprehensive evaluation of the situation is underway. The Koolan Island operation has been placed on effective care and maintenance until such time as the detailed identification and assessment of potential options is completed, and a definitive decision on the mine’s future can be made. An update on the preferred course of action is anticipated in the first half of calendar 2015.

The Group holds approximately 15.02% interests in Mount Gibson. In addition, the Group holds approximately 15.60% interests in APAC Resources Limited (“APAC”, a Hong Kong listed company) which in turn holds approximately 26.61% interests in Mount Gibson. As of 30 June 2014, the carrying amount of the Group’s direct investment in Mount Gibson accounted for approximately 3% of the total asset value of the Group. Based on the preliminary assessment by the Board with reference to the Mount Gibson Announcement and the information currently available to the Board, the Suspension would not have any material adverse impact on the financial position of the Company.

The Group’s investment in Mount Gibson is accounted for “financial assets” in the consolidated accounts of the Company. The value of the Group’s investment in Mount Gibson as at 31 December 2014 will be subject to the fair value measurement in accordance with the relevant Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountant. The result of such measurement is non-cash item and will not affect the cash flow of the Group.

FINANCIAL UPDATES

The Board has reviewed the unaudited consolidated management accounts of the Company for the ten months ended 31 October 2014 (the “Management Accounts”). Based on the Management Accounts, the core business of the Group (i.e. coking coal mining, production and sales of coking coal products) has improved since the release of the announcement of the Company on 28 August 2014 for its unaudited interim results for the six months ended 30 June 2014. For the ten months ended 31 October 2014, the business performance of the Group has turned around to profit against a loss for the six months ended 30 June 2014.

The Board would like to remind the shareholders of the Company and potential investors that the information contained in this announcement is based on the preliminary assessment by the Board with reference to the Mount Gibson Announcement, the Management Accounts and the information currently available to the Board, which has not been reviewed by the auditor of the Company.

By order of the Board
Shougang Fushan Resources Group Limited
Li Shaofeng
Chairman

Hong Kong, 5 December 2014

As at the date of this announcement, the Board comprises Mr. Li Shaofeng (Chairman), Mr. Ding Rucai (Vice-chairman and Managing Director), Mr. Wong Lik Ping (Vice-chairman), Mr. So Kwok Hoo (Deputy Managing Director), Mr. Chen Zhaoqiang (Deputy Managing Director), Mr. Liu Qingshan (Deputy Managing Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Mr. Zhang Yaoping (Non-executive Director), Mr. Xiang Xu Jia (Non-executive Director), Mr. Kee Wah Sze (Independent Non-executive Director), Mr. Choi Wai Yin (Independent Non-executive Director), Mr. Chan Pat Lam (Independent Non-executive Director), Mr. Chan Chung Chun (Independent Non-executive Director) and Mr. Japhet Sebastian Law (Independent Non-executive Director).