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福山國際能源集團有限公司

FUSHAN INTERNATIONAL ENERGY GROUP LIMITED

(Incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance)

(Stock Code: 639)

CONTINUING CONNECTED TRANSACTIONS

Sale Master Agreement

On 1 June 2009, the PRC Subsidiaries entered into the Sale Master Agreement with Party D, pursuant to which the PRC Subsidiaries will sell certain equipment, accessories and small tools to Party D. As Party D is a substantial shareholder of the Company, Party D is therefore a connected person of the Company for the purpose of the Listing Rules. Accordingly, the Sale Transactions will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Mutual Sale Master Agreement

On 1 June 2009, the PRC Subsidiaries entered into the Mutual Sale Master Agreement among each other, pursuant to which the PRC Subsidiaries will sell certain equipment, accessories and small tools among themselves. PRC Subsidiary B is an associate of Mr. Xing and hence a connected person of the Company. PRC Subsidiary A is an associate of PRC Subsidiary B and is therefore also a connected person of the Company. Accordingly, the Mutual Sale Transactions will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The Sale Transactions and the Mutual Sale Transactions are regarded as a series of continuing connected transactions which will be aggregated pursuant to Rule 14A.25 of the Listing Rules. As the Percentage Ratios for the aggregate annual amount of the Sale Transactions and the Mutual Sale Transactions are less than 2.5%, the Sale Transactions and the Mutual Sale Transactions are only subject to the reporting and announcement requirements but exempt from independent Shareholders' approval requirements pursuant to Rule 14A.34 of the Listing Rules.

New Tenancy Agreement

On 1 June 2009, the PRC Subsidiaries entered into the New Tenancy Agreement with Luensang A, pursuant to which the PRC Subsidiaries will lease the Office Premises from Luensang A. As Luensang A is a company controlled by Mrs. Xing, an associate of Mr. Xing, a substantial shareholder of the Company and hence a connected person of the Company, Luensang A is therefore also a connected person of the Company for the purpose of the Listing Rules. Accordingly, the New Tenancy Transactions will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 4 June 2008 in relation to the Tenancy Agreement entered into between the PRC Subsidiaries and Luensang A, which constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. The Previous Tenancy Transaction and the New Tenancy Transaction are regarded as a series of continuing connected transactions which will be aggregated pursuant to Rule 14A.25 of the Listing Rules. As the Percentage Ratios for the aggregate annual amount of the Previous Tenancy Transaction and the New Tenancy Transaction are less than 2.5%, the New Tenancy Transaction is only subject to the reporting and announcement requirements but exempt from independent Shareholders' approval requirements pursuant to Rule 14A.34 of the Listing Rules.

Construction Contracts

Reference is made to the announcements of the Company dated 21 May 2008 and 25 July 2008 and the Circular in relation to the Acquisition, which constituted a very substantial acquisition and connected transactions for the Company under the Listing Rules. The Acquisition has been approved by the independent Shareholders at an extraordinary general meeting of the Company held on 18 July 2008.

The PRC Subsidiaries have prior to the completion of the Acquisition entered into certain Construction Contracts involving the provision of certain construction services by Shanxi Panlong. Upon completion of the Acquisition, which took place on 25 July 2008, Mr. Xing became a substantial shareholder of the Company and hence a connected person of the Company for the purpose of the Listing Rules. Shanxi Panlong is controlled by Mr. Xing's brother, an associate of Mr. Xing, and hence a connected person of the Company for the purpose of the Listing Rules. PRC Subsidiary B is an associate of Mr. Xing and PRC Subsidiary A is an associate of PRC Subsidiary B. PRC Subsidiary A and PRC Subsidiary B also became connected persons of the Company for the purpose of the Listing Rules upon completion of the Acquisition.

Immediately after completion of the Acquisition, the transactions under the Construction Contracts constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.41 of the Listing Rules, the transactions under the Construction Contracts are subject to the applicable reporting and disclosure requirements of Chapter 14A of the Listing Rules. The transactions under the Construction Contracts will be included in the next published annual reports and accounts of the Company.

SALE MASTER AGREEMENT

Date: 1 June 2009

Parties: (1) The PRC Subsidiaries, as supplier; and
(2) Party D, as purchaser

Scope: Pursuant to the Sale Master Agreement, the PRC Subsidiaries will sell certain equipment, including but not limited to, mine related equipment such as coal cutter, sewage treatment equipment and telescopic belt conveyor, and certain accessories and small tools, including but not limited to, cable, detonator, explosive, diamond mesh, screw, steel wires, bolt, stock plate and steel strip to Party D.

Term: The Sale Master Agreement has a fixed term of three financial years commencing from 1 June 2009 to 31 December 2011. No transactions have been entered into between the PRC Subsidiaries and Party D in respect of the sale of equipment, accessories and small tools by the PRC Subsidiaries to Party D during the period between 1 January 2009 and 1 June 2009.

Price: The price for each of the Sale Transactions will be determined with reference to (i) in respect of the sale of equipment, the net book value of the equipment as at the date of transactions; and (ii) in respect of the sale of accessories and small tools, in accordance with a comparable market price, or by agreement between the parties based on prices no less favourable to/from third parties or reasonably agreed between the parties at cost, if no comparable market price can be taken as a reference.

Payment: Payment for the Sale Transactions will be settled by way of bills or cash.

Annual cap amounts for the Sale Transactions: During the term of the Sale Master Agreement, the annual cap amount of the Sale Transactions will not exceed the following amounts:

- (i) RMB12,000,000 (net of VAT) for the period commencing from 1 June 2009 to 31 December 2009;
- (ii) RMB20,000,000 (net of VAT) for the period commencing from 1 January 2010 to 31 December 2010; and
- (iii) RMB20,000,000 (net of VAT) for the period commencing from 1 January 2011 to 31 December 2011.

The annual cap amounts for the Sale Transactions are determined with reference to (i) the amount and value of previous transactions of similar nature entered into between the PRC Subsidiaries and Party D; (ii) the projected purchase orders from Party D taking into account the production volume of coal mines and the coal preparation plants operated by Party D; and (iii) the expected equipment, accessories and small tools required by Party D as determined by the availability of such equipment, accessories and small tools in the local market in the PRC and the prevailing market rates to the equipment, accessories and small tools.

The Directors consider that the Sale Transactions with Party D are in the interest of the Shareholders as they would enable the Group to strengthen its income base and enable the PRC Subsidiaries to dispose of equipment not required by them and thereby increase cashflow.

The Sale Transactions will be entered into in the usual and ordinary course of businesses of the PRC Subsidiaries. The Directors (including the independent non-executive Directors) consider that the terms of the Sale Master Agreement have been negotiated on an arm's length basis and the Sale Transactions will be conducted on normal commercial terms between the PRC Subsidiaries and Party D. The Directors (including the independent non-executive Directors) are of the view that as far as the Shareholders are concerned, the terms of the Sale Master Agreement (including the annual cap) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Party D is a substantial shareholder of the Company, Party D is therefore a connected person of the Company for the purpose of the Listing Rules. Accordingly, the Sale Transactions will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

MUTUAL SALE MASTER AGREEMENT

Date:	1 June 2009
Parties:	(1) PRC Subsidiary A; (2) PRC Subsidiary B; and (3) PRC Subsidiary C
Scope:	Pursuant to the Mutual Sale Master Agreement, the PRC Subsidiaries will sell certain equipment, including but not limited to, mine related equipment such as coal cutter, sewage treatment equipment and telescopic belt conveyor, and certain accessories and small tools, including but not limited to, cable, detonator, explosive, diamond mesh, screw, steel wires, bolt, stock plate and steel strip among themselves.
Term:	The Mutual Sale Master Agreement has a fixed term of three financial years commencing from 1 June 2009 to 31 December 2011. No transactions have been entered into among the PRC Subsidiaries in respect of the sale of equipment, accessories and small tools during the period between 1 January 2009 and 1 June 2009.
Price:	The price for each of the Mutual Sale Transactions will be determined with reference to (i) in respect of the sale of equipment, the net book value of the equipment as at the date of transactions; and (ii) in respect of the sale of accessories and small tools, in accordance with a comparable market price, or by agreement between the parties based on prices no less favourable to/from third parties or reasonably agreed between the parties at cost, if no comparable market price can be taken as a reference.
Payment:	Payment for the Mutual Sale Transactions will be settled by way of bills or cash.

Annual cap amounts for the Mutual Sale Transactions:	<p>During the term of the Mutual Sale Master Agreement, the annual cap amount for the Mutual Sale Transactions will not exceed the following amounts:</p> <ul style="list-style-type: none"> (i) RMB12,000,000 (net of VAT) for the period commencing from 1 June 2009 to 31 December 2009; (ii) RMB20,000,000 (net of VAT) for the period commencing from 1 January 2010 to 31 December 2010; and (iii) RMB20,000,000 (net of VAT) for the period commencing from 1 January 2011 to 31 December 2011.
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The annual cap amounts for the Mutual Sale Transactions are determined with reference to (i) the amount and value of previous transactions of similar nature entered into among the PRC Subsidiaries; (ii) the projected sales and purchase orders to or from each of the PRC Subsidiaries taking into account the production volume of each of the coal mines and the coal preparation plants operated by each of the PRC Subsidiaries and it is expected that there will be an increase in the production volume in the second half of 2009 as compared to the corresponding period in 2008 as a result of the operation of the respective new coal preparation plants of PRC Subsidiary B and PRC Subsidiary C in the second half of 2009; and (iii) the expected equipment, accessories and small tools required by the PRC Subsidiaries as determined by the availability of such equipment, accessories and small tools in the local market in the PRC and the prevailing market rates to the equipment, accessories and small tools.

The Directors consider that it is beneficial to the PRC Subsidiaries to enter into the Mutual Sale Master Agreement to ensure continuous supply of the necessary accessories and small tools required for their respective production of coking coal products, in the event that any of the PRC Subsidiaries is in urgent need of such accessories and small tools, so as to enhance the flexibility of the operations of the PRC Subsidiaries, and to make good use of the equipment not required by the other PRC Subsidiaries.

The Mutual Sale Transactions will be entered into in the usual and ordinary course of businesses of the PRC Subsidiaries. The Directors (including the independent non-executive Directors) consider that the terms of the Mutual Sale Master Agreement have been negotiated on an arm's length basis and the Mutual Sale Transactions will be conducted on normal commercial terms among the PRC Subsidiaries. The Directors (including the independent non-executive Directors) are of the view that as far as the Shareholders are concerned, the terms of the Mutual Sale Master Agreement (including the annual cap) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

PRC Subsidiary B is an associate of Mr. Xing and hence a connected person of the Company. PRC Subsidiary A is an associate of PRC Subsidiary B and is therefore also a connected person of the Company. Accordingly, the Mutual Sale Transactions will constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The Sale Transactions and the Mutual Sale Transactions are regarded as a series of continuing connected transactions which will be aggregated pursuant to Rule 14A.25 of the Listing Rules. As the Percentage Ratios for the aggregate annual amount of the Sale Transactions and the Mutual Sale Transactions are less than 2.5%, the Sale Transactions and the Mutual Sale Transactions are only subject to the reporting and announcement requirements but exempt from independent Shareholders' approval requirements pursuant to Rule 14A.34 of the Listing Rules.

NEW TENANCY AGREEMENT

- Date: 1 June 2009
- Parties: (1) Luensang A, as landlord; and
(2) The PRC Subsidiaries, as tenants.
- Scope: Pursuant to the New Tenancy Agreement, the PRC Subsidiaries will lease the Office Premises from Luensang A.
- Office Premises: one floor of office premises situated at Luensheng Office Tower, No. 38 Qing He West Road, Liulin County, Shanxi Province, PRC. The Office Premises has an area of approximately 1,023 square metres and will be used by the PRC Subsidiaries as office space.
- Term: The New Tenancy Agreement has a fixed term of two financial years ending 31 December 2010.
- Rent: A daily rental of RMB 2,560 (exclusive of electricity, heat, water and other charges) for the year ending 31 December 2009 and a maximum daily rental of RMB 2,813.25 for the financial year ending 31 December 2010 (subject to adjustment).
- The annual rental payable to Luensang A is RMB 934,400 (approximately HK\$1,061,360) for the financial year ending 31 December 2009 and up to RMB 1,026,836.25 (approximately HK\$1,166,356) for the financial year ending 31 December 2010.
- The rental under the New Tenancy Agreement is determined with reference to the terms of Tenancy Agreement and the prevailing market rental of the Office Premises.
- Payment: Rental payable by the PRC Subsidiaries to Luensang A under the New Tenancy Agreement will be made bi-annually in equal portions between the PRC Subsidiaries.

The annual cap amounts are determined with reference to the rental payable under the New Tenancy Agreement.

The PRC Subsidiaries have leased certain office premises which are in the same building of the Office Premises pursuant the Tenancy Agreement and such office premises have been used by the PRC Subsidiaries as their office. The Directors consider that it is beneficial to the PRC Subsidiaries to enter into the New Tenancy Agreement as the PRC Subsidiaries need more office space for operation and therefore all operations can be centralized at the same location.

The New Tenancy Transaction will be entered into in the usual and ordinary course of businesses of the PRC Subsidiaries. The Directors (including the independent non-executive Directors) consider that the terms of the New Tenancy Agreement have been negotiated on an arm's length basis and the New Tenancy Transaction will be conducted on normal commercial terms between the PRC Subsidiaries and Luensang A. The Directors (including the independent non-executive Directors) are of the view that as far as the Shareholders are concerned, the terms of the New Tenancy Agreement (including the annual cap) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Luensang A is a company controlled by Mrs. Xing, an associate of Mr. Xing, a substantial shareholder of the Company and hence a connected person of the Company, Luensang A is therefore also a connected person of the Company for the purpose of the Listing Rules. Accordingly, the New Tenancy Transaction will constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 4 June 2008 in relation to the Tenancy Agreement entered into between the PRC Subsidiaries and Luensang A, which constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. The Previous Tenancy Transaction and the New Tenancy Transaction are regarded as a series of continuing connected transactions which will be aggregated pursuant to Rule 14A.25 of the Listing Rules. As the Percentage Ratios for the aggregate annual amount for the Previous Tenancy Transaction and the New Tenancy Transaction are less than 2.5%, the New Tenancy Transaction is only subject to the reporting and announcement requirements but exempt from independent Shareholders' approval requirements pursuant to Rule 14A.34 of the Listing Rules.

CONSTRUCTION CONTRACTS

Background

Reference is made to the announcements of the Company dated 21 May 2008 and 25 July 2008 and the Circular in relation to the Acquisition, which constituted a very substantial acquisition and connected transactions for the Company under the Listing Rules. The Acquisition has been approved by the independent Shareholders at an extraordinary general meeting of the Company held on 18 July 2008. Unless otherwise stated, capitalised terms used in the Circular shall have the same meaning in this announcement.

The PRC Subsidiaries have prior to the completion of the Acquisition entered into certain Construction Contracts involving the provision of certain construction services by Shanxi Panlong. Upon completion of the Acquisition, which took place on 25 July 2008, Mr. Xing became a substantial shareholder of the Company and hence a connected person of the Company for the purpose of the Listing Rules. Shanxi Panlong is controlled by Mr. Xing's brother, an associate of Mr. Xing, and hence a connected person of the Company for the purpose of the Listing Rules. PRC Subsidiary B is an associate of Mr. Xing and PRC Subsidiary A is an associate of PRC Subsidiary B. PRC Subsidiary A and PRC Subsidiary B also became connected persons of the Company for the purpose of the Listing Rules upon completion of the Acquisition.

Immediately after completion of the Acquisition, the transactions under the Construction Contracts constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.41 of the Listing Rules, the transactions under the Construction Contracts are subject to the applicable reporting and disclosure requirements of Chapter 14A of the Listing Rules. The transactions under the Construction Contracts will be included in the next published annual reports and accounts of the Company.

(A) First Construction Contract

Date:	10 May 2007
Parties:	(1) PRC Subsidiary C; and (2) Shanxi Panlong
Scope:	Pursuant to the First Construction Contract, Shanxi Panlong has agreed to carry out certain excavation of land related construction works such as construction of retaining wall (擋土牆), excavation of land (挖方) and earth fill (填方) outside the surrounding area of PRC Subsidiary C's coal preparation plant located in Mining Area C.
Term:	The First Construction Contract took effect on 10 May 2007 and expired on the date of completion of the construction under the First Construction Contract. The expected date of completion of the construction under the First Construction Contract was 20 June 2007. As at the date of this announcement, the construction under the First Construction Contract has substantially completed.
Contract sum:	RMB2,849,899 (subject to confirmation of the actual quality of work and adjustments arising from normal variation clauses upon completion of the construction under the First Construction Contract). The contract sum of RMB2,849,899 was determined after negotiations on an arm's length basis, taking into consideration the scope and complexity of the construction works and the terms of the First Construction Contract.
Payment:	The contract sum under the First Construction Contract shall be payable in cash in accordance with the progress of the construction works. As at the date of this announcement, the PRC Subsidiary C has paid RMB2,791,667 under the First Construction Contract.

(B) Second Construction Contract

- Date: 25 June 2007
- Parties: (1) PRC Subsidiary B; and
(2) Shanxi Panlong
- Scope: Pursuant to the Second Construction Contract, Shanxi Panlong has agreed to carry out certain retaining wall related construction works such as excavation of land (挖方), earth fill (回填), slope works by machinery (機械劈邊坡) and construction of retaining wall (擋土牆) at PRC Subsidiary B's coal preparation plant located in Mining Area B.
- Term: The Second Construction Contract took effect on 25 June 2007 and expired on the date of completion of the construction under the Second Construction Contract. The expected date of completion of the construction under the Second Construction Contract was 10 November 2008. As at the date of this announcement, the construction under the Second Construction Contract has substantially completed.
- Contract sum: RMB15,228,499 (subject to confirmation of the actual quality of work and adjustments arising from normal variation clauses upon completion of the construction under the Second Construction Contract).
- The contract sum of RMB15,228,499 was determined after negotiations on an arm's length basis, taking into consideration the scope and complexity of the construction works and the terms of the Second Construction Contract.
- Payment: The contract sum under the Second Construction Contract shall be payable in cash in accordance with the progress of the construction works. As at the date of this announcement, the PRC Subsidiary B has paid RMB19,129,696 under the Second Construction Contract.

(C) Third Construction Contract

- Date: 20 March 2008
- Parties: (1) PRC Subsidiary C; and
(2) Shanxi Panlong
- Scope: Pursuant to the Third Construction Contract, Shanxi Panlong has agreed to carry out certain retaining wall related construction works such as excavation of land (挖方), carriage of earth (外運), earth fill (回填), slope works by machinery (機械劈邊坡) and construction of retaining wall (擋土牆) at PRC Subsidiary C's coal preparation plant located in Mining Area C.
- Term: The Third Construction Contract took effect on 20 March 2008 and expired on the date of completion of the construction under the Third Construction Contract. The expected date of completion of the construction under the Third Construction Contract was 20 October 2008. As at the date of this announcement, the construction under the Third Construction Contract has substantially completed.
- Contract sum: RMB6,616,474 (subject to confirmation of the actual quality of work and adjustments arising from normal variation clauses upon completion of the construction under the Third Construction Contract).
- The contract sum of RMB6,616,474 was determined after negotiations on an arm's length basis, taking into consideration the scope and complexity of the construction works and the terms of the Third Construction Contract.
- Payment: The contract sum under the Third Construction Contract shall be payable in cash in accordance with the progress of the construction works. As at the date of this announcement, the PRC Subsidiary C has paid RMB6,536,696 under the Third Construction Contract.

(D) Fourth Construction Contract

Date:	25 April 2008
Parties:	(1) PRC Subsidiary A; and (2) Shanxi Panlong
Scope:	Pursuant to the Fourth Construction Contract, Shanxi Panlong has agreed to carry out certain road construction related works such as handle boiling (處理翻漿), refill rubble and gravel (回填片石及砂礫) and road construction (路面工程) in Mining Area A.
Term:	The Fourth Construction Contract took effect on 25 April 2008 and expired on the date of completion of the construction under the Fourth Construction Contract. The expected date of completion of the construction under the Fourth Construction Contract was 30 June 2008. As at the date of this announcement, the construction under the Fourth Construction Contract has substantially completed.
Contract sum:	RMB3,076,793 (subject to confirmation of the actual quality of work and adjustments arising from normal variation clauses upon completion of the construction under the Fourth Construction Contract). The contract sum of RMB3,076,793 was determined after negotiations on an arm's length basis, taking into consideration the scope and complexity of the construction works and the terms of the Fourth Construction Contract.
Payment:	The contract sum under the Fourth Construction Contract shall be payable in cash in accordance with the progress of the construction works. As at the date of this announcement, the PRC Subsidiary A has paid RMB3,129,495 under the Third Construction Contract.

Reasons for entering into the Construction Contracts

It is essential that the Mining Areas for mining and coal preparation plants shall have the infrastructure and auxiliary facilities as necessary for producing the products of required quantity and quality. The Board considers that the entering into of the Construction Contracts as being in the best interests of the Company and the Shareholders as a whole.

The Construction Contracts were entered into in the usual and ordinary course of businesses of the PRC Subsidiaries. The Directors (including the independent non-executive Directors) consider that the terms of the Construction Contracts have been negotiated on an arm's length basis and the transactions under the Construction Contracts have been conducted on normal commercial terms between the PRC Subsidiaries and Shanxi Panlong. The Directors (including the independent non-executive Directors) are of the view that as far as the Shareholders are concerned, the terms of the Construction Contracts are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

GENERAL

The Company is an investment holding company and the Group is principally engaged in coking coal mining, production and sales of coking coal products (including raw coking coal, clean coking coal and coke) and side products. The PRC Subsidiaries are non wholly-owned subsidiaries of the Company which are principally engaged in coking coal mining, production and sales of coking coal products (including raw coking coal and clean coking coal).

Shanxi Panlong is a construction contractor principally engaged in the provision of construction services in Shanxi, the PRC.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Circular”	the circular of the Company dated 25 June 2008
“Company”	Fushan International Energy Group Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to in the Listing Rules
“Constructions Contracts”	the First Construction Contract, the Second Construction Contract, the Third Construction Contract and the Fourth Construction Contract
“Director(s)”	the director(s) of the Company
“First Construction Contract”	the construction contract dated 10 May 2007 entered into between PRC Subsidiary C and Shanxi Panlong in relation to the provision of certain construction services by Shanxi Panlong to PRC Subsidiary C
“Fourth Construction Contract”	the construction contract dated 25 April 2008 entered into between PRC Subsidiary A and Shanxi Panlong in relation to the provision of certain construction services by Shanxi Panlong to PRC Subsidiary A
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luensang A”	Shanxi Luensheng Energy Limited (山西聯盛能源有限公司), a company established under the laws of the PRC
“Mining Area A”	the area of the mine located at Liulin in Shanxi Province in the PRC and operated by PRC Subsidiary A
“Mining Area B”	the area of the mine located at Liulin in Shanxi Province in the PRC and operated by PRC Subsidiary B
“Mining Area C”	the area of the mine located at Liulin in Shanxi Province in the PRC and operated by PRC Subsidiary C
“Mining Areas”	Mining Area A, Mining Area B and Mining Area C
“Mr. Xing”	Mr. Xing Libin, a substantial shareholder
“Mutual Sale Master Agreement”	the mutual sale agreement dated 1 June 2009 entered into among the PRC Subsidiaries in relation to the sale of certain equipment, accessories and small tools among the PRC Subsidiaries
“Mutual Sale Transactions”	the transactions contemplated under the Mutual Sale Agreement
“New Tenancy Agreement”	the tenancy agreement dated 1 June 2009 entered into between the PRC Subsidiaries and Luensang A in relation to the lease of the Office Premises by the PRC Subsidiaries from Luensang A
“New Tenancy Transaction”	the transaction contemplated under the New Tenancy Agreement
“Office Premises”	one floor of office premises situated at Luensheng Office Tower, No. 38 Qing He West Road, Liulin County, Shanxi Province, PRC

“Party D”	Mr. Xing and his associates
“Percentage Ratios”	the percentage ratios as stipulated under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China
“PRC Subsidiaries”	PRC Subsidiary A, PRC Subsidiary B and PRC Subsidiary C
“PRC Subsidiary A”	Shanxi Liulin Xingwu Coalmine Company Limited (山西柳林興無煤礦有限責任公司), a company incorporated in the PRC with limited liability
“PRC Subsidiary B”	Shanxi Liulin Jinjiazhuang Coal Company Limited (山西柳林金家莊煤業有限公司), a company incorporated in the PRC with limited liability
“PRC Subsidiary C”	Shanxi Liulin Zhaiyadi Coal Company Limited (山西柳林寨崖底煤業有限公司), a company incorporated in the PRC with limited liability
“Previous Tenancy Transaction”	the transaction entered into between the PRC Subsidiaries and Luensang A under the Tenancy Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Master Agreement”	the sale agreement dated 1 June 2009 entered into between the PRC Subsidiaries and Party D in relation to the sale of certain equipment, accessories and small tools by the PRC Subsidiaries to Party D
“Sale Transactions”	the transactions contemplated under the Sale Master Agreement
“Second Construction Contract”	the construction contract dated 25 June 2007 entered into between PRC Subsidiary B and Shanxi Panlong in relation to the provision of certain construction services by Shanxi Panlong to PRC Subsidiary B
“Shanxi Panlong”	Shanxi Panlong Construction Project Co., Ltd. (山西磐龍建築工程有限公司), a company incorporated in the PRC with limited liability

“Shareholders”	holders of Shares
“Shares”	existing ordinary shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“Tenancy Agreement”	the tenancy agreement dated 2 June 2008 entered into between the PRC Subsidiaries and Luensang A in relation to the lease of office premises for the operation of the business of the PRC Subsidiaries
“Third Construction Contract”	the construction contract dated 20 March 2008 entered into between PRC Subsidiary C and Shanxi Panlong in relation to the provision of certain construction services by Shanxi Panlong to PRC Subsidiary C
“VAT”	the value added tax chargeable under the applicable PRC laws
“%”	per cent.

For the purpose of this announcement, all amounts in RMB are translated into HK\$ at an exchange rate of HK\$1 : RMB0.88038.

By order of the Board
Fushan International Energy Group Limited
SO KWOK HOO
Executive Director

Hong Kong, 1 June 2009

As at the date of this announcement, the Board comprises Mr. Cao Zhong, Mr. Wong Lik Ping, Mr. So Kwok Hoo, Mr. Xue Kang and Mr. Liu Qingshan as executive Directors; Mr. Chen Zhouping, Mr. Leung Shun Sang Tony and Mr. Shi Jianping as non-executive Directors; and Mr. Kee Wah Sze, Mr. Choi Wai Yin and Mr. Chan Pat Lam as independent non-executive Directors.