

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Fushan International Energy Group Limited, you should at once hand this circular accompanying with the form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Deutsche Bank AG, Hong Kong Branch and BOCI Asia Limited
acted as Financial Advisers to the Company

Deutsche Bank 

 **BOCI ASIA LIMITED**

Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders



First Shanghai Capital Limited

A letter from the Board is set out on pages 5 to 14 of this circular and a letter from the Independent Board Committee is set out on page 15 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 16 to 32 of this circular.

A notice convening the EGM of the Company to be held at Boardroom 5, Ground Floor, Renaissance Harbour View Hotel, No. 1 Harbour Road, Wanchai, Hong Kong on Friday, 30 October 2009 at 10:30 a.m. is set out on pages 40 to 41 of this circular. Whether or not you are able to attend the meeting in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrars, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the accompanying form of proxy will not preclude you from attending and voting at the meeting should you so wish.

Hong Kong, 13 October 2009

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:—

“A\$”	Australian dollar, the lawful currency of Australia;
“APAC”	APAC Resources Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange;
“associate”	has the meaning ascribed to in the Listing Rules;
“Australian Securities Exchange”	The Australian Securities Exchange Limited;
“Benefit Rich”	Benefit Rich Limited, a company incorporated in Samoa with limited liability;
“Board”	the board of Directors;
“Company”	Fushan International Energy 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;
“connected person”	has the meaning ascribed to it in the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules;
“Cut Off Date”	the date occurring 180 days after the date of the First Agreement or any later date agreed by the parties to the First Agreement;
“Directors”	the directors of the Company;
“EGM”	the extraordinary general meeting of the Shareholders of the Company to be convened and held at Boardroom 5, Ground Floor, Renaissance Harbour View Hotel, No. 1 Harbour Road, Wanchai, Hong Kong on Friday, 30 October 2009 at 10:30 a.m., for the purposes of considering and, if thought fit, approving, among other things, the First Agreement;

DEFINITIONS

“First Agreement”	the share purchase agreement dated 22 September 2009 between the Company, Sky Choice and Shougang International pursuant to which the Company has conditionally agreed to purchase from Sky Choice 154,166,874 shares of Mount Gibson, representing approximately 14.34% of the issued share capital of Mount Gibson as at the Latest Practicable Date;
“First Completion Date”	ten business days after the date on which the last condition precedent to the First Agreement is fulfilled (in the case of condition precedent (f) or waived) or such other date as the parties thereto may agree;
“First Consideration Shares”	213,918,497 new Shares to be allotted and issued by the Company under the First Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board comprising Mr. Kee Wah Sze, Mr. Choi Wai Yin and Mr. Chan Pat Lam, being the independent non-executive Directors to advise the Independent Shareholders in respect of the First Agreement and the issue of the First Consideration Shares;
“Independent Financial Adviser”	First Shanghai Capital Limited, a licensed corporation under the SFO to carry out type 6 (advising on corporate finance) regulated activity, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the First Agreement and the issue of the First Consideration Shares;
“Independent Shareholders”	the Shareholders other than Shougang International and its associate;
“Issue Price”	an issue price of HK\$5.556 per First Consideration Share or Second Consideration Share, as the case may be;

DEFINITIONS

“Last Trading Day”	22 September 2009, being the date of the First Agreement;
“Latest Practicable Date”	9 October 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information for the purpose of inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mount Gibson”	Mount Gibson Iron Limited, a corporation incorporated under the laws of Australia, the shares of which are listed on the Australian Securities Exchange;
“Mtpa”	million tonnes per annum
“PRC”	the People’s Republic of China;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Sale Share”	1 share of US\$1.00 in the capital of Benefit Rich, representing the entire issued share capital of Benefit Rich;
“Second Agreement”	the share purchase agreement dated 22 September 2009 between the Company and Shougang Holding pursuant to which the Company has conditionally agreed to purchase from Shougang Holding the Sale Share, representing the entire issued share capital of Benefit Rich as at the Latest Practicable Date;
“Second Consideration Shares”	109,089,993 new Shares to be allotted and issued by the Company under the Second Agreement;
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	shareholder(s) of the Company;
“Shougang Holding”	Shougang Holding (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of Shougang Corporation, a state-owned enterprise in the PRC;

DEFINITIONS

“Shougang International”	Shougang Concord International Enterprises Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Sky Choice”	Sky Choice International Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Shougang International;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder”	has the meaning ascribed to it under the Listing Rules; and
“%”	per cent.

For the purpose of this circular, all amounts in A\$ are translated into HK\$ at an exchange rate of A\$1 : HK\$6.7745 for illustration only.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Cao Zhong (*Chairman*)
Mr. Wong Lik Ping (*Vice-chairman*)
Mr. So Kwok Hoo
Mr. Xue Kang
Mr. Liu Qingshan

Registered Office:

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

Non-Executive Directors:

Mr. Chen Zhouping
Mr. Leung Shun Sang, Tony
Mr. Shi Jianping

Independent non-Executive Directors:

Mr. Kee Wah Sze
Mr. Choi Wai Yin
Mr. Chan Pat Lam

13 October 2009

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The Board announced that on 22 September 2009, the Company entered into the First Agreement and the Second Agreement. Pursuant to the First Agreement, the Company has agreed to purchase from Sky Choice, a wholly-owned subsidiary of Shougang International, 154,166,874 shares of Mount Gibson, representing approximately 14.34% of the issued share capital of Mount Gibson as at the Latest Practicable Date, at a consideration of HK\$1,188,531,169, which will be satisfied in full by the allotment and issue of the First Consideration Shares to Sky Choice (or its nominees) at the Issue Price.

LETTER FROM THE BOARD

Pursuant to the Second Agreement, the Company has agreed to purchase from Shougang Holding the Sale Share, representing the entire issued share capital of Benefit Rich as at the Latest Practicable Date, at a consideration of HK\$606,104,000, which will be satisfied in full by the allotment and issue of the Second Consideration Shares to Shougang Holding (or its nominees) at the Issue Price. The Second Consideration Shares represent (i) approximately 2.18% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 2.05% of the issued share capital of the Company as enlarged by the issue of the Second Consideration Shares immediately upon the completion of the Second Agreement (assuming that there is no change in its issued share capital from the Latest Practicable Date to the Completion Date save for the issue of the First Consideration Shares and the Second Consideration Shares). The sole asset held by Benefit Rich is the holding of 956,000,000 shares of APAC, representing approximately 16.80% of the issued share capital of APAC, whose shares are listed on the Stock Exchange.

The transaction under the Second Agreement constitutes a share transaction for the Company under the Listing Rules, since the applicable percentage ratios (as set out in the Listing Rules) are less than 5%. The information relating to the Second Agreement contained in this circular is for information of the Shareholders only.

The Independent Board Committee comprising Mr. Kee Wah Sze, Mr. Choi Wai Yin and Mr. Chan Pat Lam has been formed to advise the Independent Shareholders on transactions under the First Agreement and the issue of the First Consideration Shares. First Shanghai Capital Limited has been appointed as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the First Agreement and the issue of the First Consideration Shares in accordance with the Listing Rules.

The purpose of this circular is:

- (i) to provide Shareholders with details of the First Agreement and the issue of the First Consideration Shares;
- (ii) to set out the opinion of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the First Agreement and the issue of the First Consideration Shares;
- (iii) to set out the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the First Agreement and the issue of the First Consideration Shares; and
- (iv) to give you notice of the EGM to consider and, if thought fit, to approve the First Agreement and the issue of the First Consideration Shares.

LETTER FROM THE BOARD

FIRST AGREEMENT

Date

22 September 2009

Parties

- (1) the Company, as the purchaser;
- (2) Sky Choice, as the vendor; and
- (3) Shougang International, as the guarantor.

Asset to be acquired

The Company agreed to purchase from Sky Choice, a wholly-owned subsidiary of Shougang International, 154,166,874 shares of Mount Gibson, representing approximately 14.34% of the issued share capital of Mount Gibson as at the Latest Practicable Date.

The original purchase cost of the 154,166,874 shares of Mount Gibson to Sky Choice is approximately A\$91,450,000.

Consideration

The consideration for the First Agreement shall be HK\$1,188,531,169, which will be satisfied in full by the allotment and issue of the First Consideration Shares to Sky Choice (or its nominees) at the Issue Price.

The consideration for the First Agreement being HK\$1,188,531,169 was determined after arm's length negotiation between the parties to the First Agreement with reference to the average closing price per share of Mount Gibson of A\$1.138 as quoted on the Australian Securities Exchange for the last five consecutive trading days up to and including the Last Trading Day.

First Consideration Shares

The First Consideration Shares will be issued at the Issue Price which was determined after arm's length negotiation between the parties to the First Agreement with reference to the average closing price per Share of HK\$5.556 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day. The First Consideration Shares represent (i) approximately 4.28% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 4.02% of the issued share capital of the Company as enlarged by the issue of the First Consideration Shares immediately upon completion of the First Agreement (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date to the First Completion Date save for the issue of the First Consideration Shares and the Second Consideration Shares).

LETTER FROM THE BOARD

The First Consideration Shares shall be issued as fully paid and shall rank pari passu in all respects with the Shares then in issue. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the First Consideration Shares.

The First Consideration Shares are to be issued by the Company under a specific mandate to be sought from the Independent Shareholders at the EGM under the Listing Rules.

The Issue Price represents:

- (i) a premium of approximately 1.2% over the closing price of HK\$5.49 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) the average closing price per Share of approximately HK\$5.556 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 2.17% over the average closing price per Share of approximately HK\$5.438 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 2.89% over the closing price per Share of HK\$5.40 as quoted on the Stock Exchange on the Latest Practicable Date; and
- (v) a premium of approximately 119.47% over the unaudited consolidated net asset value of the Company per Share of approximately HK\$2.5315 as at 30 June 2009.

Conditions precedent

Completion of the First Agreement shall be conditional upon the fulfilment (or waiver, in the case of condition precedent (f)) of the following conditions:

- (a) the listing of, and permission to deal in, the First Consideration Shares having been granted by the Stock Exchange;
- (b) if required by the Listing Rules, the passing by the Independent Shareholders who are permitted to vote under the Listing Rules at a general meeting of the Company of resolutions to approve the First Agreement, the issue of the First Consideration Shares and other transactions contemplated under the First Agreement;
- (c) if required by the Listing Rules, the passing by the shareholders of Shougang International who are permitted to vote under the Listing Rules at a general meeting of Shougang International of resolutions to approve the First Agreement and other transactions contemplated under the First Agreement;

LETTER FROM THE BOARD

- (d) (i) the Treasurer of the Commonwealth of Australia (or his delegate) having provided a written advice (without condition, or with conditions that are reasonably acceptable to the Company), that there are no objections under Australia's foreign investment policy to the acquisition of 154,166,874 shares of Mount Gibson by the Company under the First Agreement; or (ii) following notice of the acquisition of 154,166,874 shares of Mount Gibson by the Company under the First Agreement having been given by the Company to the Treasurer of the Commonwealth of Australia under the *Foreign Acquisitions and Takeovers Act 1975* (Cwlth), the Treasurer of the Commonwealth of Australia ceases to be empowered to make any order under Part II of the *Foreign Acquisitions and Takeovers Act 1975* (Cwlth) because of lapse of time;
- (e) within 5 business days of the satisfaction of the conditions set out in paragraph (d) above, the Australian Competition and Consumer Commission (i) not having given any indication that it intends to oppose the acquisition under the First Agreement; or (ii) having given an indication that it does not intend to oppose the acquisition under the First Agreement and any undertakings to which this is subject are acceptable to the Company, acting reasonably;
- (f) no material adverse change having occurred in relation to Mount Gibson between the date of the First Agreement and the First Completion Date; and
- (g) the passing by the Shareholders who are permitted to vote under the Listing Rules at a general meeting of the Company of resolution(s) to approve the increase in authorised share capital of the Company.

If the conditions precedent have not been satisfied by the Cut Off Date or, in the case of condition precedent (f) has not been waived by the Company by the Cut Off Date, the First Agreement will be terminated automatically, provided that the rights and liabilities of the parties to the First Agreement which have been accrued prior to termination shall subsist.

As at the Latest Practicable Date, condition (g) has been fulfilled. Condition (c) is not required under the Listing Rules.

Completion

Completion of the First Agreement shall take place on the First Completion Date.

LETTER FROM THE BOARD

CHANGES TO THE SHAREHOLDING IN THE COMPANY AS A RESULT OF COMPLETION OF THE FIRST AGREEMENT AND THE SECOND AGREEMENT

The following table sets out the shareholding structure of the Company (based on the best knowledge of the Directors) immediately before and after the issue of the First Consideration Shares and the Second Consideration Shares:

Shareholder	As at the Latest Practicable Date		Immediately after the issue of the First Consideration Shares but before the issue of the Second Consideration Shares		Immediately after the issue of the Second Consideration Shares but before the issue of the First Consideration Shares		Immediately after the issue of the First Consideration Shares and the Second Consideration Shares	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Shougang International and its associate	1,000,954,000	20.04	1,214,872,497	23.32	1,000,954,000	19.61	1,214,872,497	22.84
Shougang Holding or its nominees	-	-	-	-	109,089,993	2.14	109,089,993	2.05
Mr. Wong Lik Ping and his associate	676,171,900	13.53	676,171,900	12.98	676,171,900	13.24	676,171,900	12.71
Mr. Xing Libin and his associate	517,344,536	10.36	517,344,536	9.93	517,344,536	10.13	517,344,536	9.73
Other Shareholders	<u>2,801,484,916</u>	<u>56.07</u>	<u>2,801,484,916</u>	<u>53.77</u>	<u>2,801,484,916</u>	<u>54.88</u>	<u>2,801,484,916</u>	<u>52.67</u>
Total	<u>4,995,955,352</u>	<u>100</u>	<u>5,209,873,849</u>	<u>100</u>	<u>5,105,045,345</u>	<u>100</u>	<u>5,318,963,842</u>	<u>100</u>

INFORMATION ON MOUNT GIBSON

Mount Gibson is a company incorporated in Australia, the shares of which are listed on the Australian Securities Exchange.

Based on the information on the website of Mount Gibson, Mount Gibson was established in Perth in 1996 and is a large independent Australian “pure play” iron ore company. It owns and operates the 3Mtpa Tallering Peak iron ore mine in the Midwest region of Western Australia and the forecast production rate of 4Mtpa Koolan Island iron ore mine. Mount Gibson also owns the Extension Hill DSO (Direct Shipping Ore) Hematite Project in the Mt Gibson Range.

Based on the 2009 annual report of Mount Gibson, the audited consolidated net asset value of Mount Gibson for the year ended 30 June 2009 was A\$780,481,000 (equivalent to approximately HK\$5,287,369,000). The audited net profit before and after

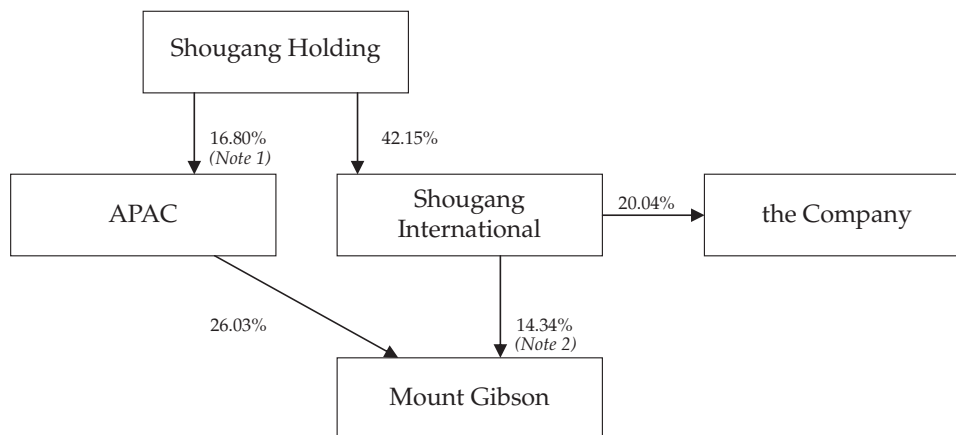
LETTER FROM THE BOARD

tax (from continuing operations) of Mount Gibson for the two financial years ended 30 June 2008 and 2009 are as follows:

	For the year ended 30 June 2009		For the year ended 30 June 2008	
	A\$'000	(audited) HK\$'000	A\$'000	(audited) HK\$'000
Net profit before tax	61,709	418,048	163,857	1,110,049
Net profit after tax	42,618	288,716	113,344	767,849

The following diagrams illustrate the corporate and shareholding structure of the Company, Mount Gibson and APAC immediately before and after completion of the First Agreement and the Second Agreement:

The shareholding structure of the Company before completion of the First Agreement and the Second Agreement

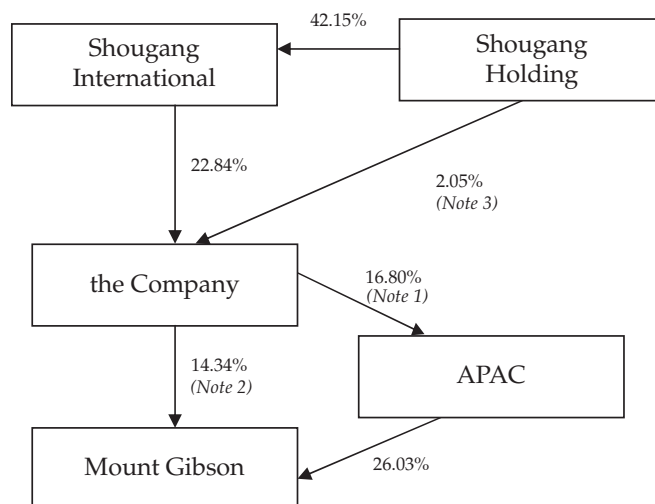


Notes:

1. Shougang Holding holds its 16.80% interest in APAC through Benefit Rich.
2. Shougang International holds its 14.34% interest in Mount Gibson through Sky Choice.

LETTER FROM THE BOARD

The shareholding structure of the Company after completion of the First Agreement and the Second Agreement



Notes:

1. Upon completion of the Second Agreement, the Company holds its 16.80% interest in APAC through Benefit Rich.
2. Upon completion of the First Agreement, such interest will be held by the Company (or its nominees).
3. Upon completion of the Second Agreement, such interest will be held by Shougang Holding (or its nominees).

REASONS FOR ENTERING INTO THE FIRST AGREEMENT

The Company aims to develop itself into an international diversified resources supplier. Currently, the Company is principally engaged in mining, production and sales of coking coal. The Company believes that the iron ore market in the PRC is severely under-supplied and its demand is largely fulfilled by imports, especially given that domestic iron ore reserves are typically low grade magnetite, which needs to be processed before becoming suitable for steelmaking. In addition, China's economic stimulus measure has boosted the development of property, construction and infrastructure sectors, which in turn enhances demand for both steel and iron ore in the PRC. The Company believes that the demand for hematite, a high-grade iron ore which can be used in steelmaking directly or with minimal upgrading, will continue to rise. As a result, the Group decided to take this opportunity of potential investments in companies that produce, sell or have access to hematite in order to enhance the profit base and maximise shareholders' return in the long run. Mount Gibson is engaged in production of hematite by operation of owned hematite mines and it is a good match for the Group's corporate strategy to invest in iron ore.

The Board believes that the transaction under the First Agreement is in the interest of the Shareholders as it serves to diversify the product portfolio, and will expand the Company's geographic foothold outside of the PRC. The transaction under the First Agreement could further contribute to the development of the Company's corporate strategy to enhance its existing resources exploitation and exploration business by having

LETTER FROM THE BOARD

coal, iron and other metal assets within the Company. The investment under the First Agreement also allows the Company to take advantage of the positive prospects of the iron ore sector, including the increasing demand from countries including the PRC.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the First Agreement are on normal commercial terms and are fair and reasonable as far as the Shareholders as a whole are concerned and in the interests of the Company and the Shareholders as a whole.

The Directors consider the issue of the First Consideration Shares as the consideration for the acquisition under the First Agreement is fair and reasonable and in the best interest of the Company and the Shareholders as a whole as less funds from its existing cash resources will be used by the Company for the acquisition under the First Agreement.

LISTING RULES IMPLICATIONS

As Shougang International and its associate held an aggregate of approximately 20.04% of the issued share capital of the Company as at the Latest Practicable Date, Shougang International is therefore a Substantial Shareholder and hence a connected person of the Company under the Listing Rules.

Accordingly, the First Agreement constitutes a connected transaction for the Company under the Listing Rules. As each of the applicable percentage ratios (as set out in the Listing Rules) exceeds 2.5%, the First Agreement is subject to the reporting, announcement and independent Shareholders' approval requirements under the Listing Rules.

The transaction under the First Agreement also constitutes a discloseable transaction for the Company under the Listing Rules, since the applicable percentage ratios (as set out in the Listing Rules) are more than 5% but less than 25%.

The Independent Board Committee comprising Mr. Kee Wah Sze, Mr. Choi Wai Yin and Mr. Chan Pat Lam has been formed to advise the Independent Shareholders on transactions under the First Agreement and the issue of the First Consideration Shares. First Shanghai Capital Limited has been appointed as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the First Agreement and the issue of the First Consideration Shares in accordance with the Listing Rules.

As completion of the First Agreement is subject to the fulfillment of a number of conditions precedent, the transactions thereunder may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

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.

LETTER FROM THE BOARD

Shougang International and its subsidiaries are principally engaged in the manufacture, sale and trading of steel products, shipping operations and mineral exploration. Shougang Holding is an investment holding company. Its subsidiaries and associated companies are principally engaged in the manufacture, sale and trading of steel products, shipping operations and mineral exploration, provision of digital television technical solutions and equipment, provision of system integration solutions, manufacture and sale of telephone accessories, powers cords, adapters, high precision metal parts and printed circuit boards, cultural recreations content provision and distribution, provision of financial services, property investment and management, manufacturing of steel cords, processing and trading of copper and brass products.

EGM

A notice of the EGM is set out on pages 40 to 41 of this circular. In accordance with the requirements of the Listing Rules, all votes to be taken at the EGM will be by poll. Pursuant to the requirements of Rule 13.36(4) of the Listing Rules, Shougang International and its associates will abstain from voting for the resolution to be proposed at the EGM to approve the First Agreement and the issue of the First Consideration Shares.

A form of proxy for the EGM is enclosed herewith. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete the form of proxy and return it to the Company's share registrars, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as practicable but in any event no later than 48 hours before the time appointed for holding the EGM. Completion of the form of proxy will not preclude you from attending and voting at the EGM in person should you so wish.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on page 15 of this circular which contains its recommendation to the Independent Shareholders on transactions under the First Agreement and the issue of the First Consideration Shares. Your attention is also drawn to the letter of advice from the Independent Financial Adviser as set out on pages 16 to 32 of this circular which contains, amongst other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the First Agreement and the issue of the First Consideration Shares. Based on the advice from the Independent Financial Adviser and the Independent Board Committee, the Directors recommend the Independent Shareholders to approve the First Agreement and the issue of the First Consideration Shares.

Yours faithfully
By Order of the Board
Cao Zhong
Chairman



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)

13 October 2009

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

We refer to the circular of the Company to the Shareholders dated 13 October 2009 (the “**Circular**”), in which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms and conditions of the First Agreement and the issue of the First Consideration Shares are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from the Independent Financial Adviser as set out on pages 16 to 32 of the Circular and the letter from the Board as set out on pages 5 to 14 of the Circular.

Having considered, among other things, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as stated in its letter of advice, we consider that the terms and conditions of the First Agreement are on normal commercial terms, and the issue of the First Consideration Shares are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the First Agreement and the issue of the First Consideration Shares.

Yours faithfully,
For and on behalf of the
Independent Board Committee
Fushan International Energy Group Limited

Kee Wah Sze
Independent Non-executive director

Choi Wai Yin
Independent Non-executive director

Chan Pat Lam
Independent Non-executive director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter received from the Independent Financial Adviser setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the First Agreement and the issue of the First Consideration Shares for inclusion in this circular.



FIRST SHANGHAI CAPITAL LIMITED

19th Floor, Wing On House
71 Des Voeux Road Central
Hong Kong

13 October 2009

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the First Agreement and the issue of the First Consideration Shares, details of which are set out in the circular of the Company dated 13 October 2009 (the “Circular”) to the Shareholders of which this letter forms a part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Circular.

The First Agreement constitutes a discloseable transaction for the Company under the Listing Rules. Shougang International is a Substantial Shareholder, and therefore is a connected person of the Company under the Listing Rules. Accordingly, the First Agreement also constitutes a connected transaction for the Company under the Listing Rules and is subject to the approval of the Independent Shareholders by way of poll at the EGM.

The Independent Board Committee, comprising the independent non-executive Directors, namely, Mr. Kee Wah Sze, Mr. Choi Wai Yin and Mr. Chan Pat Lam, has been established to advise and give recommendation to the Independent Shareholders on the transactions under the First Agreement and the issue of the First Consideration Shares. We, First Shanghai Capital Limited, have been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the accuracy of the information and representations included in the Circular and provided to us by the Directors and the Group, and have assumed that all such information and representations made or referred to in the Circular and provided to us by the Directors and the Group were true at the time they were made and continued to be true at the date of the Circular and up to the date of the EGM. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and have been advised by the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have sought confirmation from the Directors that no material facts or information have been omitted from the information supplied and/or opinions expressed. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors nor have we conducted any form of in-depth investigation into the business, affairs, financial position or prospects of the Group and Mount Gibson.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion, we have considered the following principal factors and reasons:

1. Background to and reasons for the First Agreement

On 22 September 2009, the Company entered into the First Agreement, pursuant to which the Company has agreed to purchase from Sky Choice 154,166,874 shares of Mount Gibson (the "Mount Gibson Sale Shares"), representing approximately 14.34% of the issued share capital of Mount Gibson, at a consideration of HK\$1,188,531,169 (the "Consideration"), which will be satisfied in full by the allotment and issue of the First Consideration Shares to Sky Choice (or its nominees) at the Issue Price of HK\$5.556.

The Group is principally engaged in mining, production and sales of coking coal and the current principal assets and investments of the Group were located in the PRC. As set out in the interim report of the Company for the six months ended 30 June 2009 (the "Interim Report"), with the new economic stimulus packages and industrial revitalization policies launched by the PRC Government, the increasing demands in real estate and automobile industries will drive the output volume of the downstream industries such as steel and building materials. In addition, as set out in the letter from the Board to the Circular, the Company believes that the iron ore market in the PRC is severely under-supplied and its demand is largely fulfilled by imports, especially given that the domestic iron ore reserves are typically low-grade magnetite. The Company also believes that the demand of hematite, a high-grade iron ore which can be used in steelmaking directly or with minimal

upgrading, will continue to rise. Keeping abreast of the favourable market situation and being market-oriented, the Group will timely adjust its strategies to be conducive to its development. As set out in the letter from the Board to the Circular, the transactions under the First Agreement allow the Company to take advantage of the positive prospects of the iron ore sector, including the increasing demand from countries including the PRC. The Board believes that the transactions under the First Agreement are in the interest of the Shareholders as they serve to diversify the product portfolio, and will expand the Company's geographic foothold outside of the PRC. The transactions under the First Agreement could further contribute to the development of the Company's corporate strategy to enhance its existing resources exploitation and exploration business by having resources such as coal, iron and other metal assets within the Company.

Having considered that (i) the Group is prepared to adjust its corporate strategy so as to grasp the market opportunity; and (ii) the transactions under the First Agreement provide an opportunity for the Group to diversify its product and resources portfolio and expand its investment outside the PRC which will facilitate the development of the Group to become an international diversified resources supplier, we are of the view that the entering into of the First Agreement is in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

2. Business and financial information of Mount Gibson

(i) Business of Mount Gibson

Mount Gibson is a company incorporated in Australia and its shares have been publicly traded on the Australian Securities Exchange since 2002. As at the Latest Practicable Date, the market capitalisation of Mount Gibson was approximately A\$1,268.8 million. Mount Gibson and its subsidiaries (the "Mount Gibson Group") are principally engaged in mining, exploration and development of its hematite iron ore deposits in the Midwest region of the Western Australia. Currently, the Mount Gibson Group owns the Tallering Peak iron ore mine in Midwest region of Western Australia with production of 3Mtpa and the Koolan Island iron ore mine in Koolan Island just off the Kimberley coast of Western Australia with expected production of 4Mtpa. The Mount Gibson Group also owns the Extension Hill direct shipping ore project (the "Extension Hill Project") located in the Mount Gibson Ranges of Western Australia which has completed the detailed feasibility study for production and sale of 3Mtpa of hematite ore in 2007. However, as a result of customer offtake defaults in November 2008 during the financial crisis in the fourth quarter of 2008, the Extension Hill Project has been suspended and Mount Gibson initially scheduled a 12-months suspension for the Extension Hill Project subject to, among others, the market conditions.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(ii) *Financial information of the Mount Gibson Group*

Consolidated income statement for the two years ended 30 June 2009

Set out below is a summary of the audited results of the Mount Gibson Group for the two years ended 30 June 2009 as extracted from the annual financial report (the "Mount Gibson Financial Report") of Mount Gibson for the year ended 30 June 2009:

	For the year ended 30 June	
	2009	2008
	<i>A\$' million</i>	<i>A\$' million</i>
Total revenue	431.7	435.1
Cost of sales	(293.5)	(244.6)
	<hr/>	<hr/>
Gross profit	138.2	190.5
Other income	–	3.9
Administration expenses	(28.0)	(15.4)
Impairment allowance for doubtful debts	(15.2)	–
Foreign exchange derivatives mark-to-market gain/(loss) – unrealised	(14.6)	0.4
Others	(1.7)	–
	<hr/>	<hr/>
Profit from continuing operations before tax and finance costs	78.7	179.4
Finance costs	(17.0)	(15.5)
	<hr/>	<hr/>
Profit from continuing operations before income tax	61.7	163.9
Income tax expense	(19.1)	(50.5)
	<hr/>	<hr/>
Net profit after tax attributable to members of the company	42.6	113.4
	<hr/> <hr/>	<hr/> <hr/>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the year ended 30 June 2009, the sale of ore of the Mount Gibson Group increased by approximately A\$74.9 million (equivalent to approximately HK\$507.4 million) to approximately A\$484.3 million (equivalent to approximately HK\$3,280.9 million). However, as a result of the net effect of (i) the realised loss on foreign exchange hedges recorded for the year ended 30 June 2009 of approximately A\$58.9 million (equivalent to approximately HK\$399.0 million) as compared to realised gain on foreign exchange hedges recorded for the year ended 30 June 2008 of approximately A\$23.3 million (equivalent to approximately HK\$157.8 million); and (ii) the increase in other finance income from A\$2.5 million (equivalent to approximately HK\$16.9 million) for the year ended 30 June 2008 to A\$6.3 million (equivalent to approximately HK\$42.7 million) for the year ended 30 June 2009, the total revenue of the Mount Gibson Group for the year ended 30 June 2009 decreased slightly by approximately 0.8% to approximately A\$431.7 million (equivalent to approximately HK\$2,924.6 million). With the decrease in gross profit margin from approximately 43.8% for the year ended 30 June 2008 to approximately 32.0% for the year ended 30 June 2009, the gross profit of the Mount Gibson Group decreased by approximately 27.5% to approximately A\$138.2 million (equivalent to approximately HK\$936.2 million). The decrease in gross profit was attributable primarily to the abovementioned realized loss on foreign exchange hedges recorded for the year ended 30 June 2009.

The profit from continuing operation before tax and finance costs of the Mount Gibson Group decreased by approximately 56.1% from approximately A\$179.4 million (equivalent to approximately HK\$1,215.3 million) for the year ended 30 June 2008 to approximately A\$78.7 million (equivalent to approximately HK\$533.2 million) for the year ended 30 June 2009, which was mainly attributable to (i) the abovementioned decrease in gross profit; (ii) increase in administration expenses of approximately A\$12.6 million (equivalent to approximately HK\$83.4 million); (iii) recognition of impairment allowance for doubtful debts of approximately A\$15.2 million (equivalent to approximately HK\$103.0 million); and (iv) the unrealized foreign exchange derivatives mark-to-market loss of approximately A\$14.6 million (equivalent to approximately HK\$98.9 million). For the year ended 30 June 2009, the Mount Gibson Group recorded net profit after tax attributable to members of Mount Gibson of approximately A\$42.6 million (equivalent to approximately HK\$288.6 million).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Consolidated balance sheet

The following is a summary of the audited balance sheet of the Mount Gibson Group as at 30 June 2009 as extracted from the Mount Gibson Financial Report:

	30 June 2009 <i>A\$'million</i>
Non-current assets	742.3
Current assets	370.7
Total assets	1,113.0
Current liabilities	(204.5)
Non-current liabilities	(128.0)
Total liabilities	(332.5)
Net assets	780.5

The principal assets of the Mount Gibson Group are the mine properties which amounted to approximately A\$503.8 million (equivalent to approximately HK\$3,413.0 million), representing approximately 45.3% of the total assets of the Mount Gibson Group, as at 30 June 2009. Following the mine properties, property, plant and equipment and cash and cash equivalents are the major assets of the Mount Gibson Group which amounted to approximately A\$184.5 million (equivalent to approximately HK\$1,249.9 million) and A\$222.2 million (equivalent to approximately HK\$1,505.3 million), representing approximately 16.6% and 20.0% of the total assets of the Mount Gibson Group, respectively as at 30 June 2009.

Interest-bearing loans and borrowings are the major liabilities of the Mount Gibson Group which amounted to approximately A\$161.6 million (equivalent to approximately HK\$1,094.8 million), representing approximately 48.6% of the total liabilities of the Mount Gibson Group as at 30 June 2009.

3. Evaluation of the Consideration

Pursuant to the terms of the First Agreement, the Company has agreed to purchase from Sky Choice the Mount Gibson Sale Shares, representing approximately 14.34% of the issued share capital of Mount Gibson, at the Consideration of HK\$1,188,531,169. As set out in the letter from the Board to the Circular, the Consideration was determined after arm's length negotiation between the parties to the First Agreement with reference to the average closing price per share of Mount Gibson (the "Mount Gibson Share(s)") of A\$1.138 as quoted on the Australian Securities Exchange for the last 5 consecutive trading days up to and including the Last Trading Day.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Mount Gibson Sale Shares were acquired by Sky Choice through (i) the placement (the "Placement") of shares by Mount Gibson at A\$0.60 per Mount Gibson Share in November 2008; and (ii) the underwriting of the 1 for 5 rights issue (the "Rights Issue") of Mount Gibson at A\$0.60 per Mount Gibson Share in January 2009. The purchase cost of the Mount Gibson Sale Shares to Sky Choice is approximately A\$91,450,000. During the period from 1 November 2008 to 31 January 2009, the highest closing price of the Mount Gibson Shares was A\$0.52.

Given the Mount Gibson Sale Shares are publicly traded on the Australian Securities Exchange without any restriction on resale, in evaluating the fairness and reasonableness of the Consideration, we have compared the Consideration with the historical performance of the Mount Gibson Shares on the Australian Securities Exchange and the price to earnings ratios ("PE Ratios") of those comparable companies to Mount Gibson.

(a) Historical share price performance of the Mount Gibson Shares

The Consideration per Mount Gibson Sale Share is approximately HK\$7.709 (equivalent to approximately A\$1.138) which represents:

- (i) a discount of approximately 0.18% to the closing price of A\$1.14 per Mount Gibson Share as quoted on the Australian Securities Exchange on the Last Trading Day;
- (ii) the average of the closing prices as quoted on the Australian Securities Exchange for the last 5 trading days including the Last Trading Day of A\$1.138 per Mount Gibson Share;
- (iii) a premium of approximately 1.52% over the average of the closing prices as quoted on the Australian Securities Exchange for the last 10 trading days including the Last Trading Day of A\$1.121 per Mount Gibson Share;
- (iv) a premium of approximately 4.88% over the average of the closing prices as quoted on the Australian Securities Exchange for the last 30 trading days including the Last Trading Day of A\$1.085 per Mount Gibson Share;
- (v) a premium of approximately 56.8% over the audited consolidated net asset value per Mount Gibson Share of approximately A\$0.726 as at 30 June 2009 (as calculated by the net asset value of the Mount Gibson Group of approximately A\$780.5 million as at 30 June 2009 and the number of ordinary shares of 1,075,228,611 as at 30 June 2009); and
- (vi) a discount of approximately 3.56% to the closing price of A\$1.18 per Mount Gibson Share as quoted on the Australian Securities Exchange on the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following chart illustrates the historical daily closing prices of the Mount Gibson Shares from 1 October 2008 (approximately 12 months prior to the date of the First Agreement) up to the Latest Practicable Date (the “Review Period”):



On 9 October 2008, Mount Gibson announced that a number of its customers requested to delay the iron ore shipment scheduled for the quarter commencing October 2008. Prior to the release of this announcement, the price of the Mount Gibson Shares already dropped from A\$1.67 on 1 October 2008 to A\$1.155 on 9 October 2008. Before the trading halt of the Mount Gibson Shares on 23 October 2008 pending the release of the announcement in relation to the ongoing discussion with the customers and third parties on the offtake arrangement, the price of the Mount Gibson Shares further decreased from A\$0.875 on 9 October 2008 to A\$0.405 on 22 October 2008. After the release of the announcement in relation to the offtake arrangement with its customers and the proposed Placement and Rights Issue on 3 November 2008, the price of the Mount Gibson Shares dropped further and reached the lowest price during the Review Period of A\$0.205 on 21 November 2008. Since then and until the Last Trading Day, the price of the Mount Gibson Shares has mainly been trading on an upward trend. Although, the price of the Mount Gibson Shares has mostly been traded at a price below the Consideration per Mount Gibson Sale Share during the Review Period, the Consideration per Mount Gibson Sale Share represents discount of approximately 31.9% to the highest closing price of A\$1.67 per Mount Gibson Share during the Review Period.

During the period from 23 September 2009 (being the first trading day immediately following the issuance of the announcement in relation to the First Agreement (the “Announcement”)) to the Latest Practicable Date, the highest and the lowest closing prices of the Mount Gibson Shares were A\$1.18 (recorded on 9 October 2009) and A\$1.055 (recorded on 5 October 2009) respectively and the Consideration per Mount Gibson Sale Shares is within this range.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(b) *Liquidity of the Mount Gibson Shares*

Set out below is the total monthly and average daily trading volume of the Mount Gibson Shares and the respective percentages of the average daily trading volume compared to the average total issued Mount Gibson Shares and to the average Mount Gibson Shares held by public on the Australian Securities Exchange during the Review Period:

	Total monthly trading volume of the Mount Gibson Shares (million shares)	Average daily trading volume of the Mount Gibson Shares during the month (million shares)	% of average daily trading volume of the Mount Gibson Shares to the average total Mount Gibson Shares (note 1)	% of average daily trading volume of the Mount Gibson Shares to the average Mount Gibson Shares held by public (note 2)
2008				
October	213.89	13.37	1.662	1.668
November	400.28	20.01	2.488	2.497
December	398.47	18.97	2.030	2.037
2009				
January	176.75	8.84	0.830	1.188
February	189.77	9.49	0.882	1.484
March	103.12	4.69	0.436	0.733
April	205.91	10.30	0.958	1.611
May	137.01	6.52	0.607	1.021
June	171.06	8.15	0.758	1.274
July	153.32	6.67	0.620	1.043
August	128.55	6.12	0.569	0.958
September	113.79	5.17	0.481	0.809
October (note 3)	32.67	4.67	0.730	0.434

Source: Bloomberg

Notes:

- (1) Calculated based on the average of the total number of issued Mount Gibson Shares for each month during the Review Period.
- (2) Calculated based on the average of the total number of Mount Gibson Shares held by public for each month during the Review Period.
- (3) Up to the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Trading volumes of the Mount Gibson Shares during most of the months of the Review Period as shown above were in general thin. Since January 2009, the percentages of the average daily trading volume of the Mount Gibson Shares to the average total issued Mount Gibson Shares and to the average Mount Gibson Shares held by the public were below 1% and 2% respectively. Given the thin liquidity of the Mount Gibson Shares, it is difficult for the Company to purchase a large number of Mount Gibson Shares on the market as the Mount Gibson Sale Shares under the First Agreement.

(c) *Comparable companies*

The Mount Gibson Group has recorded profit attributable to its members for the two years ended 30 June 2009, in assessing the Consideration, we have also compared the Consideration with the PE Ratios of other Australian iron ore mining companies (the “Comparable Companies”) listed on the Australian Securities Exchange which were profitable for their latest published financial year. Based on the above criteria, we have only identified three Comparable Companies and set out below is a table comparing the PE Ratio represented by the Consideration per Mount Gibson Sale Share against those of the Comparable Companies based on their closing prices at the Last Trading Day and their latest published earnings per share:

Company	Market capitalization (A\$ million)	PE Ratio (Note 1)
Fortescue Metals Group Limited	13,110.4	27.6
Murchison Metals Limited (“Murchison”)	692.0	922.2
Gindalbie Metals Limited	674.4	18.7
Average (excluded Murchison)		23.2
Consideration (Note 2)		25.0

Source: Bloomberg and the respective annual reports of the Comparable Companies

Notes:

- (1) Calculated based on the closing prices of the Comparable Companies as at the Last Trading Day and their respective audited basic earnings per share for the latest published financial year ended 30 June 2009.
- (2) Calculated based on the Consideration per Mount Gibson Sale Share and the audited basic earnings per Mount Gibson Share for the latest published financial year ended 30 June 2009.

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As shown in the table above, Murchison has an extremely high PE Ratio of 922.2 as at the Last Trading Day. We noted from the financial report of Murchison for the year ended 30 June 2009 that Murchison recorded an extremely low basic earnings per share of A\$0.0018 which was mainly attributable to the substantial decrease in its net profit by approximately 98.7% to approximately A\$0.7 million (equivalent to approximately HK\$4.7 million) for the year ended 30 June 2009. We consider the PE Ratio of Murchison may not be an appropriate comparison for being an extreme outlier among the other Comparable Companies. Excluding Murchison, the PE Ratios of the other two Comparable Companies are 27.6 and 18.7 with an average of 23.2. The PE Ratio represented by the Consideration per Mount Gibson Sale Share to the audited basic earnings per Mount Gibson Share for the year ended 30 June 2009 of approximately 25.0 is within the range and above the average of the P/E Ratios of the two Comparable Companies. As discussed under the section headed "Business and financial information of Mount Gibson" above, the decrease in the net profit of the Mount Gibson Group for the year ended 30 June 2009 which result in a lower earnings per Mount Gibson Share was mainly attributable to the realized loss on foreign exchange hedges recorded for the year as a result the financial tsunami in the 4th quarter of 2008.

(d) Settlement method of the Consideration

Pursuant to the terms of the First Agreement, the Consideration will be satisfied in full by the allotment and issue of the First Consideration Shares at the Issue Price of HK\$5.556 per First Consideration Share. The settlement of the Consideration by the issue of the First Consideration Shares will not require any cash outflow to the Company.

As set out in the letter from the Board to the Circular, the Issue Price was determined after arm's length negotiation between the parties to the First Agreement with reference to the average closing price per Share of HK\$5.556 as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day.

1. Comparison of the Issue Price to the historical closing prices of the Shares

The Issue Price represents:

- (i) a premium of approximately 1.2% over the closing price of HK\$5.49 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) the average of the closing prices as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day of approximately HK\$5.556 per Share;
- (iii) a premium of approximately 2.17% over the average of the closing prices as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day of approximately HK\$5.438 per Share;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iv) a premium of approximately 3.58% over the average of the closing prices as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day of approximately HK\$5.364 per Share; and
- (v) a premium of approximately 119.47% over the unaudited consolidated net asset value of the Company per Share of approximately HK\$2.5315 as at 30 June 2009 (as calculated by the net asset value attributable to equity holders of the Company of the Group of approximately HK\$11,599.3 million as at 30 June 2009 and the total number of issued shares of 4,581,955,000 as at 30 June 2009).
- (vi) a premium of approximately 2.89% over the closing price of HK\$5.40 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

The following chart illustrates the historical daily closing prices of the Shares during the Review Period:



In October 2008, the price of the Shares decreased from HK\$2.74 on 2 October 2008 and 3 October 2008 to the lowest in October 2008 of HK\$1.17 on 22 October 2008 where on 20 October 2008, the Directors announced that the Company was not aware of any reasons for such decrease in the Share price. During the Review Period, the price of the Shares has mainly been trading on an upward trend. The Issue Price is above the historical price of the Shares during most of the Review Period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

During the period from 23 September 2009 (being the first trading day immediately following the issuance of the Announcement) to the Latest Practicable Date, the Issue Price is still above the price of the Shares with the highest and the lowest closing prices of HK\$5.46 (recorded on 23 September 2009) and HK\$5.15 (recorded on 2 October 2009) respectively.

2. Liquidity of the Shares

Set out below is the total monthly and average daily trading volume of the Shares and the respective percentages of the average daily trading volume compared to the average of the total issued Shares and to the average of the total issued Shares held by the public during the Review Period:

	Total monthly trading volume of Share <i>(million Shares)</i>	Average daily trading volume of the Shares during the month <i>(million Shares)</i>	% of average daily trading volume of the Shares to the average total issued Shares <i>(note 1)</i>	% of average daily trading volume of the Shares to average public float <i>(note 2)</i>
2008				
October	216.34	10.30	0.226	0.395
November	101.85	5.09	0.112	0.193
December	84.95	4.05	0.089	0.139
2009				
January	56.01	3.11	0.068	0.120
February	67.93	3.40	0.074	0.156
March	169.53	7.71	0.169	0.346
April	907.03	45.35	0.994	2.035
May	1,173.20	61.75	1.353	2.771
June	790.71	35.94	0.785	1.608
July	1,424.79	64.76	1.402	3.066
August	900.38	42.88	0.859	1.817
September	679.459	30.885	0.618	1.356
October <i>(note 3)</i>	166.079	13.840	0.277	0.677

Source: Bloomberg

Notes:

- (1) Calculated based on the average of the number of issued Shares for each month during the Review Period.
- (2) Calculated based on the average of the number of Share held by public for each month during the Review Period.
- (3) Up to the Latest Practicable Date.

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As shown in the above table, save for the relatively high trading volume of the Shares in certain months, the trading volume of the Shares has been in general thin during most of the Review Period. The percentages of the average daily trading volume to the average of the total issued Shares and to the average of the total issued Shares held by the public ranged between 0.068% to 1.402% and 0.120% to 3.066% respectively. The trading volumes of the Shares increased significantly in May 2009 and July 2009 after the release of the annual results of the Group for the year ended 31 December 2008 at the end of April 2009; and the announcement of the placing of 600,000,000 Shares to independent third parties and the top-up subscription for 400,000,000 new Shares by Mr. Wong Lik Ping and his associates on 21 July 2009 respectively. The trading volumes of the Shares dropped after the significant increase in trading volume in May 2009 and July 2009.

(e) *Conclusion*

Despite the Consideration per Mount Gibson Sale Share of approximately HK\$7.709 (equivalent to approximately A\$1.138) represents a substantial premium over the audited consolidated net asset value per Mount Gibson Share as at 30 June 2009 and above the historical price of the Mount Gibson Shares during most of the Review Period, after taking into account:

- (i) the benefits attributable to the Group as mentioned in the section headed "Background to and reasons for the First Agreement" above;
- (ii) both the Consideration per Mount Gibson Sale Share and the Issue Price are equal to the average of the closing prices of the respective shares for the last 5 trading days including the Last Trading Day, which we consider on normal commercial terms;
- (iii) the thin liquidity of the Mount Gibson Shares which is difficult for the Company to purchase a large number of Mount Gibson Shares on the market as the Mount Gibson Sale Shares under the First Agreement;
- (iv) the PE Ratio represented by the Consideration per Mount Gibson Sale Share as at the Last Trading Day, the date of the First Agreement, is within the range of the PE Ratios of the two Comparable Companies;
- (v) the Consideration is financed entirely by the issue of the First Consideration Shares which will not require any cash outflow to the Company;
- (vi) the Issue Price is above the historical price of the Shares during most of the Review Period; and

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- (vii) the Issue Price represented a premium of approximately 119.47% over the unaudited consolidated net asset value of the Company per Share of approximately HK\$2.5315 as at 30 June 2009,

we are of the view that the terms of the First Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. Financial effects of the First Agreement to the Group

(i) *Net asset value*

We are advised that after completion of the First Agreement, the Group is expected to account for its interest in Mount Gibson as available-for-sale financial assets in the consolidated balance sheet of the Group. According to the accounting policies of the Group, available-for-sale financial assets will be carried at fair value plus directly attributable transaction costs and subject to regular review where any gain or loss arising from a change in the fair value will be recognised directly in equity. If there is evidence showing that the financial asset is impaired, an amount will be removed from equity and recognised in the income statement as impairment loss. Upon the disposal of such financial asset, the cumulative gain or loss previously recognised in equity would be recycled in the income statement of the Group.

Since the acquisition of the Mount Gibson Sale Shares will be satisfied by the issue of the First Consideration Shares, it is expected that the transactions under the First Agreement will have positive effect to the net asset position of the Group.

(ii) *Earnings*

Since the Group is expected to account for its interest in Mount Gibson as available-for-sale financial assets after completion of the First Agreement, dividend declared by the Mount Gibson Group after completion of the First Agreement will be recognized in the consolidated income statement of the Group.

In addition, as mentioned in part (i) above, the Group's interest in Mount Gibson will be subject to the regular impairment review in accordance with the accounting policies of the Group and it would not have any material impact on the Group's earnings unless impairment loss is required to be recognised.

Based on the above, the transactions under the First Agreement are not expected to have material impact to the earnings of the Group.

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(iii) Cash flow and gearing

As the transactions under the First Agreement will be financed entirely by the issuance of the First Consideration Shares, the First Agreement is not expected to have any affect on the overall cash flow and liquidity position of the Group.

As disclosed in the Interim Report, the gearing ratio of the Group was approximately 8% as at 30 June 2009. Since the total equity of the Group will be enlarged by the issue of the First Consideration Shares, the gearing ratio of the Group is expected to be improved after completion of the First Agreement.

5. Dilution in shareholding

Set out below is a summary of the shareholding of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the issue of the First Consideration Shares:

Shareholder	As at the Latest Practicable Date		Immediately after the issue of the First Consideration Shares	
	Number of Shares	%	Number of Shares	%
Shougang International and its associate	1,000,954,000	20.04	1,214,872,497	23.32
Mr. Wong Lik Ping and his associate (note 1)	676,171,900	13.53	676,171,900	12.98
Mr. Xing Libin and his associates (note 2)	517,344,536	10.36	517,344,536	9.93
Public Shareholders	2,801,484,916	56.07	2,801,484,916	53.77
Total	4,995,955,352	100.00	5,209,873,849	100.00

Notes:

- China Merit Limited is wholly and beneficially owned by Mr. Wong Lik Ping, an executive Director and a Substantial Shareholder of the Company, and holds 499,200,000 Shares as at the Latest Practicable Date.
- Firstwealth Holdings Limited is wholly and beneficially owned by Mr. Xing Libin, a Substantial Shareholder of the Company and holds 517,344,536 Shares as at the Latest Practicable Date.

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As shown in the above table, immediately after the issue of the First Consideration Shares, the interest of the existing public Shareholders will be diluted from approximately 56.07% to approximately 53.77%. As the issue of the First Consideration Shares will enable the Group to complete the transactions under the First Agreement without any cash outlay and will enlarge the capital base of the Group, we are of the view that the potential dilution on the shareholding of the public Shareholders is acceptable.

RECOMMENDATION

Having considered the abovementioned principal factors and reasons, we consider that the First Agreement is on normal commercial terms and the terms of which are fair and reasonable so far as the Independent Shareholders are concerned; and the entering into of the First Agreement is in the ordinary and usual course of business of the Group, and the issue of the First Consideration Shares are in the interest of the Group and the Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to advise, and we ourselves advise, the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the First Agreement and the issue of the First Consideration Shares.

Yours faithfully,
For and on behalf of

First Shanghai Capital Limited

Helen Zee
Managing Director

Fanny Lee
Executive Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in the compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries and that to the best of their knowledge and belief there are no other facts the omission of which would made any statement therein misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors

As at the Latest Practicable Date, the interests and short positions of the Directors in the shares and underlying shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") of the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Directors' interest in Shares and underlying shares

Name of Director	Number of Shares and underlying shares held				Total interests	Percentage of shareholding
	Personal interests	Family interests	Corporate interests	Options to subscribe for Shares		
Mr. Wong Lik Ping	176,971,900 (L)	-	499,200,000 (L) (209,500,000) (S) (Note a)	6,500,000 (L)	682,671,900 (L) (209,500,000) (S)	13.66% (L) (4.19%) (S)
Mr. Cao Zhong	3,000,000 (L)	-	-	15,000,000 (L)	18,000,000 (L)	0.36% (L)
Mr. Xue Kang	-	-	-	9,000,000 (L)	9,000,000 (L)	0.18% (L)
Mr. So Kwok Hoo	4,000,000 (L)	-	-	3,500,000 (L)	7,500,000 (L)	0.15% (L)
Mr. Shi Jianping	2,454,000 (L)	-	-	4,500,000 (L)	6,954,000 (L)	0.13% (L)
Mr. Liu Qingshan	-	330,000 (L) (Note b)	-	6,000,000 (L)	6,330,000 (L)	0.12% (L)

Name of Director	Number of Shares and underlying shares held			Options to subscribe for Shares	Total interests	Percentage of shareholding
	Personal interests	Family interests	Corporate interests			
Mr. Chen Zhouping	-	-	-	6,000,000 (L)	6,000,000 (L)	0.12% (L)
Mr. Leung Shun Sang, Tony	-	-	-	6,000,000 (L)	6,000,000 (L)	0.12% (L)
Mr. Kee Wah Sze	-	-	-	4,000,000 (L)	4,000,000 (L)	0.08% (L)
Mr. Choi Wai Yin	-	-	-	4,000,000 (L)	4,000,000 (L)	0.08% (L)
Mr. Chan Pat Lam	-	-	-	4,000,000 (L)	4,000,000 (L)	0.08% (L)

* The letter "L" denotes a long position and the letter "S" denotes a short position.

Note a: Mr. Wong Lik Ping was the beneficial owner of the entire issued share capital of China Merit Limited, which held 499,200,000 Shares in long position and 209,500,000 Shares in short position as at the Latest Practicable Date.

Note b: The spouse of Mr. Liu Qingshan was the beneficial shareholder as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company, had an interest or short position in the Shares and underlying Shares of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code of the Listing Rules to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders

As at the Latest Practicable Date, according to the register kept by the Company under section 336 of the SFO, the persons other than a Director or chief executive of the Company who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Interest in Shares and underlying shares

Name of shareholders	Capacity	Number of Shares and underlying shares held	Total number of Shares and underlying shares held	Percentage of shareholding
Shougang Holding	Beneficial owner	109,089,993 (L)	1,323,008,490 (L)	26.48% (L)
	Corporate interest	1,213,918,497 (L) (Note a)		
Shougang International	Corporate interest	1,213,918,497 (L) (Note a)	1,213,918,497 (L)	24.29% (L)
Fine Power Group Limited	Beneficial owner	450,000,000 (L) (Note a)	450,000,000 (L)	9.00% (L)
Mr. Xing Libin	Beneficial owner	4,500,000 (L)	521,844,536 (L) (420,000,000) (S)	10.44% (L) (8.40%) (S)
	Corporate interest	517,344,536 (L)		
	Corporate interest	(420,000,000) (S) (Note b)		
Firstwealth Holdings Limited	Beneficial owner	517,344,536 (L)	517,344,536 (L) (420,000,000) (S)	10.35% (L) (8.40%) (S)
	Beneficial owner	(420,000,000) (S) (Note b)		
China Merit Limited	Beneficial owner	499,200,000 (L)	499,200,000 (L) (209,500,000) (S)	9.99% (L) (4.19%) (S)
	Beneficial owner	(209,500,000) (S)		
China Resources National Corporation	Corporate interest	420,000,000 (L) (Note c)	420,000,000 (L)	8.40% (L)
China Resources Co., Limited	Corporate interest	420,000,000 (L) (Note c)	420,000,000 (L)	8.40% (L)
CRC Bluesky Limited	Corporate interest	420,000,000 (L) (Note c)	420,000,000 (L)	8.40% (L)

Name of shareholders	Capacity	Number of Shares and underlying shares held	Total number of Shares and underlying shares held	Percentage of shareholding
China Resources (Holdings) Company Limited	Corporate interest	420,000,000 (L) (Note c)	420,000,000 (L)	8.40% (L)
CR Corporate Affairs Limited	Beneficial owner	420,000,000 (L) (Note c)	420,000,000 (L)	8.40% (L)
華潤深國投信託有限公司	Other	420,000,000 (L)	420,000,000 (L)	8.40% (L)

* The letter "L" denotes a long position and the letter "S" denotes a short position.

Note a: Pursuant to the substantial shareholder notices of Shougang Holding and Shougang International dated 25 September 2009, Shougang Holding held 42.15% interests in Shougang International which in turn indirectly held 100% interests in Ultimate Capital Limited and directly held 100% interests in Fine Power Group Limited and Sky Choice International Limited. Ultimate Capital Limited, Fine Power Group Limited and Sky Choice International Limited owned 550,000,000 Shares, 450,000,000 Shares and 213,918,497 Shares respectively as at 22 September 2009.

Note b: Pursuant to the substantial shareholder notices of Mr. Xing Libin and Firstwealth Holdings Limited dated 25 September 2009, Mr. Xing Libin held 100% interests in Firstwealth Holdings Limited, which owned 517,344,536 Shares in long position and 420,000,000 Shares in short position as at 24 September 2009. Mr. Xing Libin held 4,500,000 options to subscribe for Shares as at the Latest Practicable Date.

Note c: Pursuant to the substantial shareholder notices dated 21 August 2009, (i) China Resources National Corporation held 99.98% interests in China Resources Co., Limited; (ii) China Resources Co., Limited held 100% interests in CRC Bluesky Limited; (iii) CRC Bluesky Limited held 100% interests in China Resources (Holdings) Company Limited; (iv) China Resources (Holdings) Company Limited held 100% interests in CR Corporate Affairs Limited which owned 420,000,000 Shares as at 20 August 2009.

Save as disclosed above, the Directors and the chief executive of the Company were not aware that there was any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group or had any options in respect of such capital.

(c) Service Contracts

There is no existing or proposed service contract between any of the Directors and the Company or any of its members (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensations)).

(d) Interests in other competing business

Save for Mr. Shi Jianping and his associate operating coal preparation plants and selling of clean coal as disclosed in the announcement of the Company dated 4 November 2008, each of the Directors has confirmed that he and their respective associates do not have any interests in a business apart from the Group's business which directly competes with and will have material adverse impact on the Group.

3. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

4. EXPERT'S QUALIFICATION AND CONSENT

First Shanghai Capital Limited has given and has not withdrawn its respective written consent to the issue of this circular with the inclusion of its respective letters and references to its respective name in the form and context in which it respectively appear.

The following are the qualifications of the expert who has given its respective opinion or advice which are contained in this circular:

Name	Qualification
First Shanghai Capital Limited	A licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, First Shanghai Capital Limited did not have any direct or indirect interest in any asset which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2008, the date to which the latest audited financial statements of the Group was made up; and was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

5. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse changes in the financial or trading position or prospects of the Group since 31 December 2008, being the date to which the latest audited consolidated financial statements of the Group were made up.

6. GENERAL

- (a) Save for the Disposal Agreement (as defined in the announcement of the Company dated 7 October 2009) entered into between the Company and Mr. Wong Lik Ping, a Director, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be so acquired, disposed of by or leased to any member of the Group since 31 December 2008, being the date to which the latest published audited accounts of the Company were made up, and up to the Latest Practicable Date.
- (b) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, which was subsisting and was significant in relation to the business of the Group.
- (c) The Company Secretary of the Company is Ms. Lam Lin Chu. Ms. Lam is a member of Hong Kong Institute of Certified Public Accountant.
- (d) The registered address of the Company is 6th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (e) The share registrars of the Company is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (f) The English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office at 6th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road Wanchai, Hong Kong during normal business hours on any weekdays, except public holidays, from the date of this circular up to and including 30 October 2009:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the two years ended 31 December 2008;
- (c) the interim report of the Company for the six months ended 30 June 2009;
- (d) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 15 of this circular;

- (e) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 16 to 32 of this circular;
- (f) the written consent referred to in the paragraph headed “Expert’s Qualification and Consent” in this Appendix;
- (g) the First Agreement;
- (h) this circular; and
- (i) the Disposal Agreement.

NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Fushan International Energy Group Limited (the “**Company**”) will be held at Boardroom 5, Ground Floor, Renaissance Harbour View Hotel, No. 1 Harbour Road, Wanchai, Hong Kong on Friday, 30 October 2009 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) an agreement dated 22 September 2009 (the “**First Agreement**”) entered into between the Company, Sky Choice International Limited (“**Sky Choice**”) and Shougang Concord International Enterprises Limited pursuant to which the Company has agreed to purchase from Sky Choice 154,166,874 shares of Mount Gibson Iron Limited at a consideration of HK\$1,188,531,169, which will be satisfied in full by the allotment and issue of 213,918,497 new shares (the “**First Consideration Shares**”) by the Company to Sky Choice (or its nominees) at an issue price of HK\$5.556 per First Consideration Share, a copy of the First Agreement is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose, be and is hereby confirmed, approved and ratified;
- (b) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and the permission to deal in, the First Consideration Shares, the allotment and issue of the First Consideration Shares to Sky Choice (or its nominees) at an issue price of HK\$5.556 per First Consideration Share to satisfy the consideration for the First Agreement be and is hereby confirmed and approved;
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/them to be incidental to, ancillary to or in connection with the matters contemplated in the First Agreement.”

By Order of the Board
Cao Zhong
Chairman

Hong Kong, 13 October 2009

NOTICE OF EGM

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
3. Any shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed must be deposited at the Company's share registrars, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
5. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjourned meeting thereof (as the case may be) should you so wish, and in such an event, the form of proxy shall be deemed to be revoked.
6. 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 shares 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 in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.

As at the date of this notice, the Board comprises Mr. Cao Zhong (Chairman), Mr. Wong Lik Ping (Vice-chairman), 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.