

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To: Company Name/Scheme Mount Gibson Iron Limited ("MGX")
ACN/ARSN 008 670 817

1. Details of substantial holder (1)

Name Fushan International Energy Group Limited ("Fushan"), True Plus Limited and the entities listed in Annexure A
ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 22/09/2009

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares ("MGX Shares")	154,166,874	154,166,874	14.32% (Based on 1,076,453,611 MGX Shares on issue)

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Fushan International Energy Group Limited and True Plus Limited	Relevant interest held under section 608(8) of the Corporations Act 2001 (Cwlth) by Fushan as the Buyer of, and, subsequently, True Plus Limited as the transferee nominated by Fushan of, 154,166,874 MGX Shares pursuant to a Share Purchase Agreement dated 22 September 2009 between Fushan, Sky Choice International Limited and Shougang Concord International Enterprises Company Limited attached as Annexure B ¹	154,166,874 MGX Shares
Each of the other entities listed in Annexure A	Taken under section 608(3) of the Corporations Act 2001 (Cwlth) to have a relevant interest in the MGX Shares by virtue of the relevant interest held by Fushan	154,166,874 MGX Shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Each person named in section 3 above	Sky Choice International Limited	True Plus Limited	154,166,874 MGX Shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

¹ On 13 January 2008, Shougang Corporation and each of its controlled entities and Shougang Concord International Enterprises Company Limited ("Shougang Concord") and each of its controlled entities lodged a notice of change of interests of substantial holder in relation to the 154,166,874 MGX Shares the subject of this notice. Fushan understands that following the completion of the sale of the MGX Shares pursuant to the Share Purchase Agreement, it is likely that Shougang Concord will continue to have a relevant interest in the MGX Shares the subject of this notice because Shougang Concord will be the holder of more than 20% of the issued shares of Fushan for purposes of section 608(3)(a) of the Corporations Act.

Holder of relevant interest	Date of acquisition	Consideration (\$)		Class and number of securities
		Cash	Non-Cash	
Fushan International Energy Group Limited and True Plus Limited	22 September 2009	-	213,918,497 fully paid ordinary shares in the capital of Fushan International Energy Group Limited (valued at an issue price of HK\$5.558 per share)	154,166,874 MGX Shares
Each other person named in section 3 above	22 September 2009	None - a deemed relevant interest	None - a deemed relevant interest	154,166,874 MGX Shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Fushan International Energy Group Limited, True Plus Limited and each of the subsidiaries listed in Annexure A	6/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong
Shougang Corporation	Shijingshan, Beijing, People's Republic of China
Shougang Concord International Enterprises Company Limited	7/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong

Signature

print name Cao Zhong

Capacity Director

sign here

date 2 December 2009

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

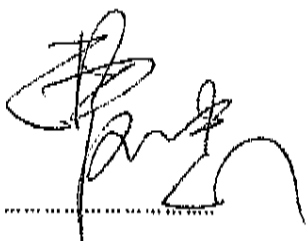
ANNEXURE A
Substantial holders

This is Annexure A of 1 page, referred to in Form 603 Notice of initial substantial holder

Name: Cao Zhong

Capacity: Director

Signature:



Date: 2 December 2009

The substantial holders are the entities noted in item 3 and the following subsidiaries of Fushan International Energy Group Limited ("Fushan"):

Subsidiaries

Benefit Rich Limited	A body corporate which Fushan controls
Jade Green Investments Limited	A body corporate which Fushan controls
Fushan Energy Group Limited	A body corporate which Fushan controls
Fushan Energy Group (Hong Kong) Limited	A body corporate which Fushan controls
New Honest Limited	A body corporate which Fushan controls
Thechoice Finance Limited	A body corporate which Fushan controls
Worldman Industrial Limited	A body corporate which Fushan controls
Gumpert Industries Limited	A body corporate which Fushan controls
Thechoice Finance (HK) Limited	A body corporate which Fushan controls
Worldman Industrial (HK) Limited	A body corporate which Fushan controls
Gumpert Industries (HK) Limited	A body corporate which Fushan controls
Shanxi Liulin Xingwu Coal Co., Ltd.	A body corporate which Fushan controls
Shanxi Liulin Jinjiazhuang Coal Co., Ltd.	A body corporate which Fushan controls
Shanxi Liulin Zhayadi Coal Co., Ltd.	A body corporate which Fushan controls
Jinshan Energy Group Limited	A body corporate which Fushan controls
Shanxi Yao Zin Coal and Coking Co., Ltd.	A body corporate which Fushan controls
Liulin Luenshan Coking Company Ltd	A body corporate which Fushan controls
Fu Hui Jewellery & Goldsmith Company Limited	A body corporate which Fushan controls
Fu Hui Investments Limited	A body corporate which Fushan controls
Jumbo Hall International Limited	A body corporate which Fushan controls
Maxease Limited	A body corporate which Fushan controls
Full Bright International Limited	A body corporate which Fushan controls

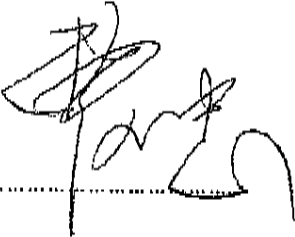
ANNEXURE B
Share Purchase Agreement

This is Annexure B of 21 pages, referred to in Form 603 Notice of initial substantial holder

Name: Cao Zhong

Capacity: Director

Signature:

A handwritten signature in black ink, appearing to be 'Cao Zhong', written over a dotted line. The signature is stylized and somewhat cursive.

Date: 2 December 2009

MALLESONS STEPHEN JAQUES

Execution version

Share Purchase Agreement

Dated 22 September 2009

Fushan International Energy Group Limited (福山國際能源集團有限公司)
(Hong Kong company number 0163099) ("Buyer")

Sky Choice International Limited (British Virgin Islands company number
590758) ("Seller")

Shougang Concord International Enterprises Company Limited
(首長國際企業有限公司) (Hong Kong company number 0157697)
("Shougang Concord")

Mallesons Stephen Jaques
37th Floor Two International Finance Centre
8 Finance Street
Central Hong Kong
T +852 3443 1000
F +852 3443 1299
www.mallesons.com

Share Purchase Agreement

Contents

Details	1
General terms	3
1 Definitions and Interpretation	3
1.1 Definitions	3
1.2 References to certain general terms	4
1.3 Next day	5
1.4 Next Business Day	5
1.5 Headings	5
2 Completion of sale and purchase	5
2.1 Sale and purchase	5
2.2 Conditional on FIRB approval	5
2.3 Seller's covenant	6
2.4 Consideration Shares	6
3 Conditions Precedent	6
3.1 Conditions Precedent	6
3.2 Reasonable endeavours	7
3.3 Satisfaction of Conditions Precedent	7
3.4 Effect of termination	7
4 Completion	8
4.1 Time and place of Completion	8
4.2 Completion	8
4.3 CHES transfers	8
4.4 Simultaneous actions at Completion	8
5 Warranties and representations	8
5.1 Buyer Warranties	8
5.2 Seller Warranties	9
5.3 Survival of representations and warranties	9
5.4 Indemnities	10
5.5 Breach on or before Completion	10
6 Stamp duty, costs and expenses	10
6.1 Stamp duty	10
6.2 Costs and expenses	10
6.3 Buyer's brokerage fees	10
6.4 Seller's brokerage fees	11
7 Public announcements	11
8 Guarantee and indemnity	11
8.1 Consideration	11
8.2 Guarantee	11
8.3 Indemnity	11
8.4 Extent of guarantee and indemnity	12

8.5	Payments	12
8.6	No merger	12
8.7	Rights of the Buyer are protected	12
8.8	Guarantor's rights are suspended	12
8.9	Costs	13
9	Notices and other communications	13
9.1	Form - all communications	13
9.2	Form - communications sent by email	13
9.3	Delivery	13
9.4	When effective	14
9.5	When taken to be received	14
9.6	Receipt outside business hours	14
10	General	14
10.1	Governing law and jurisdiction	14
10.2	Prohibition and enforceability	15
10.3	Discretion in exercising rights	15
10.4	Partial exercising of rights	15
10.5	No liability for loss	15
10.6	Conflict of interest	15
10.7	Remedies cumulative	15
10.8	Variation and waiver	15
10.9	Further steps	15
10.10	Assignment	16
10.11	Counterparts	16
10.12	Entire agreement	16
10.13	Confidentiality	16
10.14	Construction	16
	Signing page	17

Share Purchase Agreement

Details

Parties	Buyer, Seller and Shougang Concord	
Buyer	Name	Fushan International Energy Group Limited (福山國際能源集團有限公司)
	Hong Kong company number	0163099
	Address	12th Floor, Kwan Chart Tower No.6 Tonnochy Road Wanchai Hong Kong
	Telephone	+852 2765 0839
	Fax	+852 2765 0958
	Email	jimmyso@fushan.com.hk
	Attention	Company Secretary
Seller	Name	Sky Choice International Limited
	British Virgin Islands company number	590758
	Address	7th Floor Bank of East Asia Harbour View Centre 56 Gloucester Road Wanchai Hong Kong
	Telephone	+852 2861 2832
	Fax	+852 2861 3972
	Email	carmencheng@shougang-int.com.hk
	Attention	Company Secretary
Shougang Concord	Name	Shougang Concord International Enterprises Company Limited (尚長國際企業有限公司)
	Hong Kong company number	0157697
	Address	7th Floor Bank of East Asia Harbour View Centre 56 Gloucester Road Wanchai

Hong Kong

Telephone +852 2861 2832

Fax +852 2861 3972

Email carmencheng@shougang-int.com.hk

Attention Company Secretary

-
- Recitals**
- A** The Seller is a wholly-owned subsidiary of Shougang Concord and is the registered holder and beneficial owner of the Sale Shares.
 - B** The Seller agrees to sell, and the Buyer agrees to buy, the Sale Shares on the terms and conditions of this agreement.
-

Governing law Hong Kong

Date of agreement See Signing page

Share Purchase Agreement

General terms

1 Definitions and interpretation

1.1 Definitions

These meanings apply unless the contrary intention appears.

ACCC means the Australian Competition and Consumer Commission.

ASTC Settlement Rules means the settlement rules published by ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).

ASX means the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691).

ASX Listing Rules means the listing rules of ASX as amended from time to time.

ASX Trading Day has the definition given to "Trading Day" under the ASX Listing Rules.

Business Day means a day on which banks are open for business in Hong Kong and Perth, excluding Saturdays, Sundays and public holidays.

Buyer Warranties means the representations and warranties given by the Buyer in clause 5.1 and **Buyer Warranty** has a corresponding meaning

CHESS has the meaning given to that term in the ASTC Settlement Rules.

Company means Mount Gibson Iron Limited (ABN 87 008 670 817), a corporation incorporated under the laws of Australia, with its shares listed on the ASX.

Completion means completion of the sale and purchase of the Sale Shares in accordance with clause 4 and **Complete** has a corresponding meaning.

Completion Date means the date:

- (a) ten Business Days after the date on which the last Condition Precedent is satisfied (or if that date is not an ASX Trading Day, the date that is the next ASX Trading Day), or in the case of Condition Precedent 3.1(f), waived by the Buyer; or
- (b) any other date agreed by the parties to this agreement.

Conditions Precedent means the conditions precedent set out in clause 3.1.

Consideration Shares means 213,918,497 fully paid ordinary shares in the capital of the Buyer to be allotted and issued to the Seller (or its nominee(s)) free from any Encumbrance as consideration for the Sale Shares under clause 2.4.

Cut Off Date means the date occurring 180 days after the date of this agreement or any later date agreed by the parties to this agreement.

Details means the section of this agreement headed "Details".

Encumbrance means any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, claim, covenant, profit à prendre, easement or other security arrangement or any other arrangement having the same effect.

FIRB means the Foreign Investment Review Board.

Guarantee means the guarantee and indemnity in clause 8.

Hong Kong Listing Rules means the Rules Governing the Listing of Securities on the HKEX as amended from time to time.

HKEX means The Stock Exchange of Hong Kong Limited.

Issue Price means an issue price of HK\$5.556 per Consideration Share.

Listing Committee has the meaning given to that term in the Hong Kong Listing Rules.

Material Adverse Change means any change, effect, event, occurrence, state of facts or development that could reasonably be expected to be materially adverse to the business, financial condition or results of operations or prospects of the Company, as assessed by the Buyer in its sole discretion.

Sale Shares means 154,166,874 Shares, free from any Encumbrance.

Seller Warranties means the representations and warranties given by the Seller and Shougang Concord in clause 5.2 and **Seller Warranty** has a corresponding meaning.

Shares means a fully paid ordinary share in the Company.

Treasurer means the Treasurer of the Commonwealth of Australia.

1.2 References to certain general terms

Unless the contrary intention appears, a reference in this agreement to:

- (a) **(variations or replacements)** a document (including this agreement) includes any variation or replacement of it;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this agreement;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** law means common law, principles of equity and statutory laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them;
- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(person)** the word "person" includes an individual, a firm, a body corporate, a partnership, joint venture, an unincorporated body or association, or any government agency;

- (g) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (h) **(two or more persons)** an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (i) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (j) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (k) **(reference to a group of persons)** a group of persons or things is a reference to any two or more of them jointly and to each of them individually;
- (l) **(meaning not limited)** the words "include", "including", "for example" or "such as", when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (m) **(time of day)** time is a reference to Hong Kong time;

1.3 Next day

If an act under this agreement to be done by a party on or by a given day is done after 5.30pm on that day, it is taken to be done on the next day.

1.4 Next Business Day

If an event under this agreement must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.

1.5 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this agreement.

2 Completion of sale and purchase

2.1 Sale and purchase

The Seller agrees to sell, and the Buyer agrees to buy (and/or cause nominee(s) to buy), full legal and beneficial title in the Sale Shares, on the terms and conditions of this agreement.

2.2 Conditional on FIRB approval

Clause 2.1 does not come into effect and is not binding until either:

- (a) the Treasurer (or his delegate) provides written advice (without condition, or with conditions that are reasonably acceptable to the Buyer), that there are no objections under Australia's foreign investment policy to the proposed acquisition by the Buyer of the Sale Shares; or

- (b) following notice of the proposed acquisition of the Sale Shares having been given by the Buyer to the Treasurer under the *Foreign Acquisitions and Takeovers Act 1975* (Cwlth), the Treasurer ceases to be empowered to make any order under Part II of that Act because of lapse of time.

2.3 Seller's covenant

The Seller covenants with the Buyer not to sell, offer for sale, transfer, assign or grant or allow to exist any other right in relation to the Sale Shares prior to:

- (a) the Cut Off Date;
- (b) Completion; or
- (c) the date on which any one of the Conditions Precedent becomes not able to be fulfilled as determined by the Buyer (acting reasonably) and notified to the Seller,

whichever is the earliest.

The parties agree that damages would be an insufficient remedy for breach of this covenant and the Seller agrees that the Buyer (and/or its nominee(s)) will be entitled to seek and obtain an injunction or specific performance to enforce the Seller's obligation under this clause without proof of actual damage and without prejudice to any of its other rights or remedies

2.4 Consideration Shares

The consideration for the sale of the Sale Shares by the Seller to the Buyer (and/or its nominee(s)) is HK\$1,188,531,169, which will be satisfied in full by the allotment and issue by the Buyer to the Seller (or its nominee(s)) of the Consideration Shares at the Issue Price. The Consideration Shares will rank in all respects *pari passu* with the existing issued fully paid ordinary shares in the capital of the Buyer.

3 Conditions Precedent

3.1 Conditions Precedent

Completion is conditional on the following Conditions Precedent (subject in the case of Condition Precedent 3.1(f) to any waiver by the Buyer (by notice to the Seller and Shougang Concord and in the Buyer's sole discretion)):

- (a) **(Shareholder approval - Shougang Concord)** if required by the Hong Kong Listing Rules, the passing by the shareholders of Shougang Concord who are permitted to vote under the Hong Kong Listing Rules at a general meeting of Shougang Concord of resolutions to approve this agreement and other transactions contemplated under this agreement;
- (b) **(Shareholder approval - Buyer)** if required by the Hong Kong Listing Rules, the passing by the shareholders of the Buyer who are permitted to vote under the Hong Kong Listing Rules at a general meeting of the Buyer of resolutions to approve this agreement, the issue of the Consideration Shares and other transactions contemplated under this agreement;

- (c) **(FIRB approval)** the satisfaction of the condition set out in clause 2.2;
- (d) **(ACCC approval)** within 5 Business Days of the satisfaction of the condition set out in clause 2.2, the ACCC:
 - (i) not having given any indication that it intends to oppose the proposed acquisition of the Sale Shares; or
 - (ii) having given an indication that it does not intend to oppose the proposed acquisition of the Sale Shares and any undertakings to which this is subject are acceptable to the Buyer, acting reasonably;
- (e) **(Approval by the Listing Committee)** the granting by the Listing Committee of the HKEX the listing of, and permission to deal in, the Consideration Shares as necessary;
- (f) **(no Material Adverse Change)** no Material Adverse Change having occurred in relation to the Company between the date of this agreement and Completion; and
- (g) **(Increase in authorised share capital - Buyer)** the passing by the shareholders of the Buyer who are permitted to vote under the Hong Kong Listing Rules at a general meeting of the Buyer of resolution(s) to approve an increase in the authorised share capital of the Buyer.

3.2 Reasonable endeavours

Each party must use its reasonable endeavours to obtain the satisfaction of the Conditions Precedent as soon as practicable, including procuring performance by a third party. The parties must keep each other informed of any circumstances which may result in any Condition Precedent not being satisfied in accordance with its terms.

3.3 Satisfaction of Conditions Precedent

If any of the Conditions Precedent cannot (subject to clause 3.2) be satisfied by the Cut Off Date or, in the case of, Condition Precedent 3.1(f) is not waived by the Buyer (by notice to the Seller and Shougang Concord and in the Buyer's sole discretion) by the Cut Off Date, then this agreement is terminated automatically, without the need for notice by any of the parties.

3.4 Effect of termination

If this agreement is terminated under clause 3.3, then, in addition to any other rights, powers or remedies provided by law:

- (a) each party is released from its obligations under this agreement other than in relation to clause 6.2 and any clauses stated to survive termination of this agreement; and
- (b) each party retains the rights it has against any other party in connection with any breach or claim that has arisen before termination.

4 Completion

4.1 Time and place of Completion

Completion will take place at the offices of Shougang Concord on the Completion Date or any other time and place agreed between the parties to this agreement.

4.2 Completion

At Completion,

- (a) the Seller must transfer the Sale Shares to the Buyer (and/or its nominee(s)) by executing and delivering all necessary documents and giving all necessary instruments to ensure that all right, title and interest in the Sale Shares passes from the Seller to the Buyer; and
- (b) The Buyer must allot and issue the Consideration Shares to the Seller (or its nominee(s)) by delivering or causing to be delivered to the Seller (or its nominee(s)) share certificates in respect of the Consideration Shares (each in a form complying with the Hong Kong Listing Rules) in accordance with an application for issue and allotment for the Consideration Shares provided by the Buyer to the Seller not less than two Business Days prior to the Completion Date.

4.3 CHESS transfers

The Sale Shares are deemed to have been transferred under clause 4.2(a):

- (a) on the transfer of title in accordance with the ASTC Settlement Rules and procedures of CHESS (or such other computer based system which provides for the recording and transfer of title by way of electronic entries, delivery and transfer of title, used by the Company from time to time); or
- (b) by such other manner as agreed between the parties.

4.4 Simultaneous actions at Completion

In respect of Completion:

- (a) the obligations of the parties under this agreement are interdependent; and
- (b) unless otherwise stated, all actions required to be performed by a party at Completion are taken to have occurred simultaneously on the Completion Date.

5 Warranties and representations

5.1 Buyer Warranties

The Buyer represents and warrants that, subject as applicable in each case to the Conditions Precedent:

- (a) it is incorporated and validly existing under the laws of Hong Kong;

- (b) it has full power, authority and capacity to enter into and perform its obligations under this agreement;
- (c) the entry into and the performance by it of this agreement does not violate, breach or result in a contravention of any law, regulation or authorisation or of its memorandum and articles of association or other constituent documents;
- (d) this agreement constitutes its legal, valid and binding obligations and subject to any necessary stamping is enforceable in accordance with its terms; and
- (e) the Consideration Shares will, once issued, be fully paid, rank equally with all other ordinary shares in the capital of the Buyer including enjoying the same rights to the payment of any ordinary share dividend distributions following allotment.

5.2 Seller Warranties

Each of the Seller and Shougang Concord represents and warrants that, subject as applicable in each case to the Conditions Precedent:

- (a) it has full power, authority and capacity to enter into and perform its obligations under this agreement;
- (b) the entry into and the performance by it of this agreement does not violate, breach or result in a contravention of any law, regulation or authorisation or its memorandum and articles of association or other constituent documents; and
- (c) this agreement constitutes its legal, valid and binding obligations and subject to any necessary stamping is enforceable in accordance with its terms.

The Seller represents and warrants that:

- (a) it is incorporated and validly existing under the laws of the British Virgin Islands;
- (b) it is entitled to sell and transfer full legal and beneficial ownership in the Sale Shares free of any Encumbrance or adverse interest and that the Sale Shares have been properly allotted and issued and are fully paid or credited as fully paid; and
- (c) its sole shareholder is Shougang Concord.

Shougang Concord represents and warrants that:

- (a) it is incorporated and validly existing under the laws of the Hong Kong.

5.3 Survival of representations and warranties

Each of the Seller Warranties and the Buyer Warranties:

- (a) are to be treated as a separate representation and warranty;
- (b) do not merge on Completion; and

- (c) are regarded as repeated at Completion in relation to the facts and circumstances then subsisting.

5.4 Indemnities

Each of the Seller and Shougang Concord indemnifies the Buyer against all loss arising directly or indirectly from or incurred in connection with any incorrect or misleading Seller Warranty.

The Buyer indemnifies each of the Seller and Shougang Concord against all loss arising directly or indirectly from or incurred in connection with any incorrect or misleading Buyer Warranty.

5.5 Breach on or before Completion

If any Seller Warranty is found to have been incorrect or misleading when made on or before the Completion Date the Buyer may, by notice to the Seller and Shougang Concord, terminate this agreement without prejudice to any other remedy available to it. If this agreement is so terminated then clause 3.4 applies with the necessary changes.

If any Buyer Warranty is found to have been incorrect or misleading when made on or before the Completion Date the Seller may, by notice to the Buyer, terminate this agreement without prejudice to any other remedy available to it. If this agreement is so terminated then clause 3.4 applies with the necessary changes.

6 Stamp duty, costs and expenses

6.1 Stamp duty

The Buyer and the Seller agree to share equally any stamp duty chargeable, payable or assessed in relation to the transfer of the Sale Shares to the Buyer (and/or its nominee(s)), if any.

The Seller agrees to pay any stamp duty chargeable, payable or assessed in relation to the allotment and issue of the Consideration Shares to the Seller (or its nominee(s)), if any.

6.2 Costs and expenses

Subject to clause 6.1 and clause 8.9, the Seller, Shougang Concord and the Buyer each agree to pay their own legal and other costs and expenses in connection with the negotiation, preparation, execution and completion of this agreement and of other related documentation.

6.3 Buyer's brokerage fees

Without limiting the generality of clause 6.2, the Buyer must pay any applicable brokerage fee for (it (and/or its nominee(s))) receiving the Sale Shares from the Seller under this agreement, with any such transactions to be carried out by the Buyer's nominated broker.

6.4 Seller's brokerage fees

Without limiting the generality of clause 6.2, the Seller must pay any applicable brokerage fee for delivering the Sale Shares to the Buyer (and/or its nominee(s)) or for it (or its nominee(s)) receiving the Consideration Shares from the Buyer under this agreement, with any such transactions to be carried out by the Seller's nominated broker.

7 Public announcements

Subject to the requirements of any applicable laws, rules and regulations, announcements, communications or circulars made by the Seller, Shougang Concord or the Buyer shall be in the form and substance satisfactory to the other parties, amended as may be agreed between the parties and the HKEX.

8 Guarantee and indemnity

8.1 Consideration

Shougang Concord acknowledges that the Buyer is acting in reliance on Shougang Concord incurring obligations and giving rights under this Guarantee.

8.2 Guarantee

Shougang Concord unconditionally and irrevocably guarantees to the Buyer the Seller's compliance with the Seller's obligations in connection with this agreement.

If the Seller does not comply with those obligations on time and in accordance with this agreement, then Shougang Concord agrees to comply with those obligations (including procuring compliance with the obligations by the Seller as necessary) on demand from the Buyer. A demand may be made whether or not the Buyer has made demand on the Seller.

8.3 Indemnity

Shougang Concord indemnifies the Buyer against any liability or loss arising from, and any costs it incurs if:

- (a) the Seller does not, or is unable to, comply with an obligation it has in connection with this agreement; or
- (b) an obligation the Seller would otherwise have under this agreement is found to be void, voidable or unenforceable; or
- (c) an obligation Shougang Concord would otherwise have under clause 8.2 is found to be void, voidable or unenforceable; or
- (d) a representation or warranty by the Seller in this agreement is found to have been incorrect or misleading when made or taken to be made.

Shougang Concord agrees to pay amounts due under this clause on demand from the Buyer.

The Buyer need not incur expense or make payment before enforcing this right of indemnity.

8.4 Extent of guarantee and indemnity

Each of the guarantee in clause 8.2 and the indemnity in clause 8.3 is a continuing obligation despite any intervening payment, settlement or other thing and extends to all of the Seller's obligations in connection with this agreement. Shougang Concord waives any right it has of first requiring the Buyer to commence proceedings or enforce any other right against the Seller or any other person before claiming from Shougang Concord under this Guarantee.

8.5 Payments

Shougang Concord agrees to make payments under this Guarantee:

- (a) in full without set-off or counterclaim, and without any deduction in respect of taxes (including but not limited to any interest, fine, penalty, charge, fee) unless prohibited by law; and
- (b) in the currency in which the payment is due, and otherwise in Hong Kong dollars, in immediately available funds.

8.6 No merger

This Guarantee does not merge with or adversely affect, and is not adversely affected by, any of the following:

- (a) any other guarantee, indemnity, mortgage, charge or other encumbrance, or other right or remedy to which the Buyer is entitled; or
- (b) a judgment which the Buyer obtains against Shougang Concord, the Seller or any other person in connection with this agreement.

The Buyer may still exercise its rights under this Guarantee as well as under the judgment, mortgage, charge or other encumbrance or the right or remedy.

8.7 Rights of the Buyer are protected

The rights given to the Buyer under this Guarantee, and Shougang Concord's liabilities under it, are not affected by any act or omission or any other thing which might otherwise affect them under law or otherwise.

8.8 Guarantor's rights are suspended

As long as any obligation is required, or may be required, to be complied with in connection with this Guarantee, Shougang Concord may not, without the Buyer's consent:

- (a) reduce its liability under this Guarantee by claiming that it or the Seller or any other person has a right of set-off or counterclaim against the Buyer; or
- (b) exercise any legal right to claim to be entitled to the benefit of another guarantee, indemnity, mortgage, charge or other encumbrance given in connection with this agreement or any other amount payable under this Guarantee; or

- (c) claim an amount from the Seller, or another guarantor under a right of indemnity or contribution; or
- (d) claim an amount in the liquidation, administration or insolvency of the Seller or of another guarantor of any of the Seller's obligations.

This clause 8.8 continues after this Guarantee ends.

8.9 Costs

Shougang Concord agrees to pay or reimburse the Buyer on demand for:

- (a) the Buyer's costs in making, enforcing and doing anything in connection with this Guarantee including legal costs in accordance with any written agreement as to legal costs or, if no agreement, on whichever is the higher of a full indemnity basis or solicitor and own client basis; and
- (b) all duties, fees, taxes (including but not limited to any interest, fine, penalty, charge, fee) and charges which are payable in connection with this Guarantee or a payment or receipt or other transaction contemplated by it.

This clause 8 survives any termination of this agreement.

9 Notices and other communications

9.1 Form - all communications

Unless expressly stated otherwise in this agreement, all notices, certificates, consents, approvals, waivers and other communications in connection with this agreement must be:

- (a) in writing;
- (b) in English or Chinese;
- (c) signed by the sender (if an individual) or an authorised officer of the sender; and
- (d) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

9.2 Form - communications sent by email

Communications sent by email need not be marked for attention in the way stated in clause 9.1. However, the email must state the first and last name of the sender.

Communications sent by email are taken to be signed by the named sender.

9.3 Delivery

Communications must be:

- (a) left at the address set out or referred to in the Details;

- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details;
- (c) sent by fax to the fax number set out or referred to in the Details;
- (d) sent by email to the address set out or referred to in the Details; or
- (e) given in any other way permitted by law.

However, if the intended recipient has notified a changed address, fax number or email address, then communications must be to that address, fax number or email address.

9.4 When effective

Communications take effect from the time they are received or taken to be received under clause 9.5 (whichever happens first) unless a later time is specified.

9.5 When taken to be received

Communications are taken to be received:

- (a) if sent by post, three days after posting (or seven days after posting if sent from one country to another); or
- (b) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent; or
- (c) if sent by email;
 - (i) when the sender receives an automated message confirming delivery; or
 - (ii) four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered,

whichever happens first.

9.6 Receipt outside business hours

Despite clauses 9.4 and 9.5, if communications are received or taken to be received under clause 9.5 after 5.30pm in the place of receipt or on a non-Business Day, they are taken to be received at 9am on the next Business Day and take effect from that time unless a later time is specified.

10 General

10.1 Governing law and jurisdiction

- (a) This agreement is governed by the law in force in the place specified in the Details.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of the place specified in the Details and courts of appeal from them. Each party

waives any right it has to object to an action being brought in those courts including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

10.2 Prohibition and enforceability

- (a) Any provision of, or the application of any provision of, this agreement or any power which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- (b) Any provision of, or the application of any provision of, this agreement which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.
- (c) Where a clause is void, illegal or unenforceable, it may be severed without affecting the enforceability of the other provisions in this agreement.

10.3 Discretion in exercising rights

A party may exercise a right or remedy or give or refuse its consent in any way it considers appropriate (including by imposing conditions), unless this agreement expressly states otherwise.

10.4 Partial exercising of rights

If a party does not exercise a right or remedy fully or at a given time, the party may still exercise it later.

10.5 No liability for loss

A party is not liable for any loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising a right or remedy under this agreement.

10.6 Conflict of Interest

The parties' rights and remedies under this agreement may be exercised even if it involves a conflict of duty or a party has a personal interest in their exercise.

10.7 Remedies cumulative

The rights and remedies provided in this agreement are in addition to other rights and remedies given by law independently of this agreement.

10.8 Variation and waiver

A provision of this agreement or a right created under it, may not be waived or varied except in writing, signed by the party or parties to be bound.

10.9 Further steps

Each party agrees, at its own expense, to do anything the other party asks (such as obtaining consents, signing and producing documents and getting documents

completed and signed) as may be necessary or desirable to give full effect to the provisions of this agreement and the transactions contemplated by it.

10.10 Assignment

No party may assign or otherwise transfer any of its rights arising under this agreement without the prior written consent of the other parties.

10.11 Counterparts

This agreement may be executed in counterparts. All counterparts when taken together are to be taken to constitute one instrument.

10.12 Entire agreement

This agreement constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

10.13 Confidentiality

Each party agrees not to disclose information provided by another party that is not publicly available except:

- (a) to any person in connection with an exercise of rights or a dealing with rights or obligations under this agreement, provided the recipient agrees to act consistently with this clause;
- (b) to officers, employees, legal and other advisers and auditors of any party, provided the recipient agrees to act consistently with this clause;
- (c) to any party to this agreement or any affiliate of any party to this agreement, provided the recipient agrees to act consistently with this clause;
- (d) with the consent of the party who provided the information, provided the recipient agrees to act consistently with this clause; or
- (e) as required by any law or stock exchange.

This clause 10.13 survives any termination of this agreement.

10.14 Construction

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this agreement or any part of it.

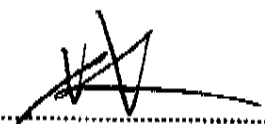
EXECUTED as an agreement

Share Purchase Agreement

Signing page

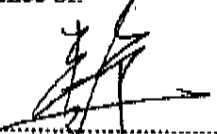
DATED:

EXECUTED by)
as authorised representative for and on)
behalf of **FUSHAN**)
INTERNATIONAL ENERGY)
GROUP LIMITED (福山國際能源集)
團有限公司) in the presence of:)


.....
Signature of witness)

..... **LAM LIN CHU**)
Name of witness (block letters))

EXECUTED by *Cao Zhong*)
as authorised representative for and on)
behalf of **SKY CHOICE**)
INTERNATIONAL LIMITED in the)
presence of:)


.....
Signature of witness)

..... **CARMEN CHENG**)
Name of witness (block letters))

For and on behalf of
福山國際能源集團有限公司
FUSHAN INTERNATIONAL ENERGY GROUP LIMITED


.....
Authorized Signature(s)

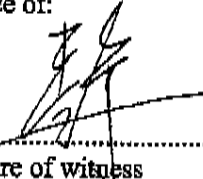
By executing this agreement the signatory warrants that the signatory is duly authorised to execute this agreement for and on behalf of **FUSHAN INTERNATIONAL ENERGY GROUP LIMITED** (福山國際能源集團有限公司)

For and on behalf of
SKY CHOICE INTERNATIONAL LIMITED


.....
Authorised Signature(s)

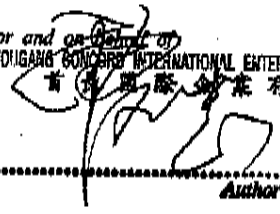
By executing this agreement the signatory warrants that the signatory is duly authorised to execute this agreement for and on behalf of **SKY CHOICE INTERNATIONAL LIMITED**

EXECUTED by *Cao Zhong*)
 as authorised representative for and on)
 behalf of SHOUGANG CONCORD)
 INTERNATIONAL ENTERPRISES)
 COMPANY LIMITED)
 (首長國際企業有限公司) in the)
 presence of:)

)
 Signature of witness)

CARMEN CHENG)
 Name of witness (block letters))

For and on behalf of)
 SHOUGANG CONCORD INTERNATIONAL ENTERPRISES COMPANY LIMITED)
 首長國際企業有限公司)

)
 Authorized Signature(s))

By executing this agreement the)
 signatory warrants that the signatory is)
 duly authorised to execute this)
 agreement for and on behalf of)
 SHOUGANG CONCORD)
 INTERNATIONAL ENTERPRISES)
 COMPANY LIMITED (首長國際企業)
 有限公司))