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NORTH MINING SHARES COMPANY LIMITED

北方礦業股份有限公司

(In Liquidation)

(Incorporated in Bermuda with limited liability)

(Stock Code: 433)

SUPPLEMENTAL AGREEMENT IN RELATION TO RESTRUCTURING TRANSACTIONS INVOLVING, INTER ALIA,

(1) CAPITAL REORGANISATION;

(2) SUBSCRIPTION OF NEW SHARES BY THE INVESTOR;

(3) SCHEME OF ARRANGEMENT; AND

**(4) PROPOSED ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE
AND WORKING CAPITAL FACILITY AGREEMENT**

Reference is made to the announcement of North Mining Shares Company Limited (In Liquidation) (“**the Company**”, together with its subsidiaries “**the Group**”) dated 21 February 2023 (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

The Company announces that, on 7 June 2023 (after trading hours), the Company, the Liquidators and the Investor entered into (i) a supplemental restructuring agreement in relation to the Restructuring Agreement (the “**Supplemental Restructuring Agreement**”), pursuant to which the parties agreed to, among others, amend and supplement certain terms of the Restructuring Agreement; and (ii) a working capital facility agreement (the “**Working Capital Facility Agreement**”).

THE SUPPLEMENTAL RESTRUCTURING AGREEMENT

1. Capital Reorganisation

With reference to the paragraph headed “Conditions for Capital Reorganisation” in the Announcement, the parties agreed to amend conditions (ii) and (iv) for the effectiveness of the Capital Reorganisation to be conditional upon as follows:

- (ii) compliance with section 46(2) of the Companies Act, including the Directors being satisfied that on the date on which the Capital Reduction and the Share Premium Cancellation are to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction and the Share Premium Cancellation would be, unable to pay its liabilities as they become due; and
- (iv) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

Under the Supplemental Restructuring Agreement, the parties agreed that none of the conditions for the Capital Reorganisation could be waived.

2. Subscription of New Shares by the Investor

The parties agreed to supplement that the Credit Facility shall only be used to (i) settle the outstanding service and professional fees and expenses incurred in relation to the resumption of trading of the Shares and the Restructuring Transactions; and (ii) settle the fees incurred for setting up of a special purpose vehicle to be held and controlled by the Scheme Administrators and such fees or expenses to be reasonably and necessarily incurred in relation to the implementation of Resumption (the “**Scheme Company**”).

With reference to the paragraph headed “Conditions of the Investor’s Subscription” in the Announcement, the parties agreed to delete condition (iv). Completion of the Investor’s Subscription is not conditional upon the successful renewal of the mining licence for the molybdenum mine located at Huanghegou, Luonan County, Shaanxi Province held by Juilong Kuangye, and the full resumption of the mine.

3. The Scheme

With reference to the paragraph headed “Conditions precedent to the Scheme” in the Announcement, the parties agreed to delete condition (c) and to amend condition (g) as follows:

- (g) the Capital Reorganisation having become effective.

Also, the parties agreed to amend and supplement that under the Scheme, the Company shall allot and issue the Scheme Shares to the Scheme Company prior to the date of Resumption and as soon as practicable after the Scheme Administrators or the adjudicator has determined all Scheme Claim(s) (as the case may be), the Scheme Company shall then distribute such number of Scheme Shares to the relevant Creditors

pursuant to the directions of the Scheme Administrators (or with such arrangement which in the opinion of the Scheme Administrators is desirable and necessary for the implementation and completion of the Scheme).

4. Additional conditions precedent to Completion

With reference to the paragraph headed “Additional conditions precedent to Completion” in the Announcement, the parties agreed to amend condition (2) for Completion as follows:

- (2) an official copy of the order of the Hong Kong Court sanctioning the Scheme pursuant to the Companies Ordinance having been delivered to the Registrar of Companies in Hong Kong for registration;

Under the Supplemental Restructuring Agreement, the parties agreed that none of the conditions for Completion could be waived.

5. The Investor also agreed to provide a working capital facility for an aggregate sum of up to HK\$18,500,000 (the “**Working Capital Facility**”) to be made available to the Company.

Save as disclosed above and some tidy-up amendments, other major terms and conditions of the Restructuring Agreement shall remain unchanged and continue to be in full force and effect in all respects.

Reasons for and benefits of the Supplemental Restructuring Agreement

Taking into account of (i) the financial need for the business operation of the Group; (ii) the need of the Company to implement the Restructuring Transactions; (iii) support from the Investor to provide funding for corporate rescue attempt and to support the business operations of the Group; and (iv) the entering into of the Supplemental Restructuring Agreement will facilitate the restructuring of the Group, the Directors consider that the terms of the Supplemental Restructuring Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

WORKING CAPITAL FACILITY AGREEMENT

Parties also entered into the Working Capital Facility Agreement, pursuant to which the Working Capital Facility shall be provided by the Investor to the Company based on the terms set out in the Supplemental Restructuring Agreement and the Working Capital Facility Agreement for the purposes of settling outstanding fees to ensure necessary corporate services and necessary fees for resuming the listing status of the Company.

The principal terms of the Working Capital Facility Agreement are summarized below:

Parties

- (i) the Investor
- (ii) the Company
- (iii) the Liquidators

Principal amount of the Working Capital Facility

A working capital facility for a total sum of up to HK\$18,500,000 shall be provided by the Investor to the Company subject to the terms and conditions of the Supplemental Restructuring Agreement and the Working Capital Facility Agreement.

Interest rate

The Working Capital Facility granted is interest free.

Security and ranking

The Working Capital Facility is unsecured and shall rank pari passu with all other existing and future unsecured liabilities and debts of the Company.

Terms and repayment

The amount drawn down under the Working Capital Facility will be repayable by the Company on demand by the Investor. The Investor agreed that it will not request repayment of the Working Capital Facility before 31 October 2023 (or such other date as the parties may agree in writing).

The amount drawn down by the Company will be repaid by the Company by way of issuing the Subscription Shares, setting off against the total amount of the Investor's Subscription.

Reasons and benefits of the Working Capital Facility Agreement

The purpose of the Working Capital Facility is to provide funding towards the working capital for maintaining the Company and resume its listing status and ensure such necessary corporate services to the Company. The entering into of the Working Capital Facility Agreement provides additional funding to facilitate the restructuring of the Company and fulfillment of the resumption guidance as set out by the Stock Exchange.

CONTINUED SUSPENSION OF TRADING

Trading in the Company's shares on the Stock Exchange, which was suspended with effect from 9:00 a.m. on 1 April 2021 remains suspended and will continue to be so until further notice.

Completion of each of the Restructuring Transactions is subject to the fulfilment of various conditions. Accordingly, the Restructuring Transactions may or may not proceed. There is also no guarantee that trading of the Shares will resume. Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares.

For and on behalf of
North Mining Shares Company Limited
(In Liquidation)
So Kit Yee Anita
Tsui Chi Chiu
Joint and Several Liquidators
acting as agents of the Company only and
without personal liability

Hong Kong, 7 June 2023

According to the information available from the previous announcement made by the Company, immediately before the making of winding up order against the Company by the High Court, the Board comprises Mr. Yang Ying Min, Mr. Qian Yi Dong and Mr. Shen Jian as Executive Directors.

The affairs, business and property of the Company are being managed by the Joint & Several Liquidators who act as agents of the Company only and without personal liability.