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NORTH MINING SHARES COMPANY LIMITED

北方礦業股份有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 433)

**(I) ISSUANCE OF INVESTOR’S SUBSCRIPTION SHARES
AND SCHEME SHARES UNDER SPECIFIC MANDATE;
(II) FULFILMENT OF RESUMPTION GUIDANCE;
(III) ARRANGEMENT FOR MATCHING SERVICE FOR ODD LOTS;
AND
(IV) RESUMPTION OF TRADING**

This announcement is made by North Mining Shares Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s announcements dated 30 June 2021, 28 September 2021, 30 December 2021, 2 March 2022, 21 March 2022, 31 March 2022, 19 April 2022, 20 April 2022, 17 May 2022, 15 July 2022, 15 September 2022, 29 September 2022, 5 December 2022, 30 December 2022, 10 February 2023, 21 February 2023, 9 March 2023, 31 March 2023, 7 June 2023, 16 June 2023, 28 June 2023, 30 June 2023, 31 August 2023, 12 September 2023, 15 September 2023, 19 September 2023, 20 September 2023 and 27 September 2023 (collectively, the “**Announcements**”) and the circular dated 13 June 2023 (the “**Circular**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcements and the Circular.

BACKGROUND

As disclosed in the Announcements, the Company was unable to publish the Company's consolidated financial statements for the year ended 31 December 2020 on 31 March 2021 as required under Rule 13.49(1) of the Listing Rules. Hence, pursuant to Rule 13.50 of the Listing Rules, at the request of the Company, trading in the Company's shares on the Stock Exchange have been suspended with effect from 9:00 a.m. on 1 April 2021. On or about 30 November 2021, the Company received a winding up petition issued in the High Court by the Petitioner against the Company. On 16 May 2022, the Company was ordered to be wound up by the High Court. On 15 June 2021, the Company received a letter of Resumption Guidance from the Stock Exchange. On 23 February 2022, the Company was notified by the Stock Exchange of additional Resumption Guidance. Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of the Company on 1 October 2022. On 25 November 2022, the Company received a letter from the Listing Committee of the Stock Exchange stating that they have decided to cancel the Company's listing. On 24 February 2023, a hearing for the Review was held by the Listing Review Committee of the Stock Exchange and subsequently a decision to overturn the Delisting Decision and grant of an extension of the remedial period to 30 September 2023 was made on 8 March 2023.

(I) Issuance of Investor's Subscription Shares and Scheme Shares

The Board is pleased to announce that all the conditions precedent of both the Investor's Subscription and the Scheme have been fulfilled on 29 September 2023. A total of 256,410,256 New Shares have been allotted and issued to the Investor at the Subscription Price of HK\$0.156 per New Share. The gross proceeds of HK\$40,000,000 from the Investor's Subscription will be applied in the manner as disclosed in the paragraph headed "6. Reasons for and benefits of the entering into of the Restructuring Agreement and the use of proceeds" in the Circular. Another total of 11,086,710,827 New Shares have been allotted and issued to the Scheme Company, which shall hold the Scheme Shares on trust for the benefit of the Creditors pending adjudication of the claims and determination of all Admitted Claims and distribution of the Scheme Shares to the relevant Creditors.

Effect of Shareholding Structure of the Company upon Completion of the Restructuring Transactions

For illustrative purposes only, the shareholding structure of the Company immediately before completion of the Restructuring Transactions (immediately after the Capital Reorganisation becoming effective) and immediately after completion of the Restructuring Transactions are set out as below:

	Immediately before completion of the Restructuring Transactions (immediately after the Capital Reorganisation becoming effective)		Immediately after completion of the Restructuring Transactions	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The substantial Shareholders				
Qian Yong Wei	575,000	0.05	575,000	0.00
China Wan Tai Group Limited (In Liquidation)	169,020,427	14.46	169,020,427	1.35
China Huarong Asset Management Company Limited	150,900,000	12.91	150,900,000	1.21
Gu Jie	93,829,000	8.03	93,829,000	0.75
Pleasant Journey Global Limited	66,246,478	5.67	66,246,478	0.53
The Investor	—	—		
As the Investor for the Subscription Shares	—	—	256,410,256	2.05
As the Creditor for the Scheme Shares	—	—	3,466,583,804	27.71
Sub-total	—	—	3,722,994,060	29.76
Other Creditors (Note 2)	—	—		
SFund International Investment Fund Management Limited	—	—	2,591,364,858	20.70
NATU Investment Management Company Limited	—	—	2,270,377,828	18.15
Harvest Wealth International Limited	—	—	1,238,652,399	9.90 (Note 1)
Cayman Islands International Investment Limited (now known as Japan San Ling Group Limited)	—	—	617,586,186	4.94
Chau Yiu Ting	—	—	416,578,854	3.33
Other minority Creditors	—	—	183,252,139	1.46
Other Public Shareholders	687,948,409	58.87	990,263,168	7.92
	<u>1,168,519,314</u>	<u>100.00</u>	<u>12,511,640,397</u>	<u>100.00 (Note 3)</u>

Notes:

1. In order to ensure the public float of the Company to the minimum requirement of 25% under Rule 8.08(1)(a) of the Listing Rules, the Company has (i) engaged a placing agent to dispose of such number of Scheme Shares necessary to independent third parties of the Company on a best effort basis; and (ii) obtained an undertaking from Harvest Wealth International Limited, being one of the Creditors, that it will only receive such number of Scheme Shares that amount up to 9.90% of the enlarged issued share capital of the Company.
2. The exact number of Scheme Shares to be issued to each of the Creditors is subject to adjudication.
3. Based on the existing information, the public float of the Company was approximately 31.39%.

(II) Fulfilment of Resumption Guidance

Resumption Guidance (i): publish all outstanding financial results required under the Listing Rules and address any audit modifications

As at the date of this announcement, all the outstanding financial results of the Company required under the Listing Rules have been published, and the audit modifications have been addressed. Accordingly, it is considered that Resumption Guidance (i) has been fulfilled.

Resumption Guidance (ii): demonstrate the Company's compliance with Rule 13.24 of the Listing Rules

As disclosed in the announcement of the Company dated 10 February 2023, the mining license for the molybdenum mine of the Group, which is valid up to 22 February 2034, has been successfully renewed and granted by the Ministry of Natural Resources of the PRC. The mining license is the major license required for the Group to conduct its mining activities of its molybdenum mine. Subject to the renewal or obtaining of all the other ancillary license, the operation of the mining business of the Company will fully resume. As at the date hereof, the Company has been liaising with the relevant government authorities and the approval for ancillary licenses are being processed. Certain preparation work for obtaining the ancillary licences have been done and currently the Company is about to complete a feasibility study on open pit mining, and is in the course of mining areas stability analysis and safety equipment design work. The relevant licences will be assessed and granted thereafter. It is expected that the ancillary licenses will be obtained within the 4th quarter of 2023.

On the other hand, the Group is carrying on its business segment of chemical trading operations as usual.

Moreover, as disclosed in the final results announcements and interim results announcement of the Company for the year ended 31 December 2022 and the six months ended 30 June 2023, the Company has a revenue of approximately HK\$1,295,666,000 and HK\$746,078,000 and total assets of approximately HK\$2,017,000,000 and HK\$1,923,048,000, respectively. The Company considers that it has a sufficient size of operation and assets to maintain its listing under Rule 13.24 of the Listing Rules. Accordingly, it is considered that Resumption Guidance (ii) has been fulfilled.

Resumption Guidance (iii): inform the market of all material information for the shareholders and other investors to appraise the Company's position

The Company has from time to time published announcements to disclose the information, financial results and resumption progress update to the Shareholders and potential investors. Accordingly, it is considered that Resumption Guidance (iii) has been fulfilled.

Resumption Guidance (iv): have the 3rd Petition (or order, if made) against the Company withdrawn or dismissed

At the hearing at the High Court on 25 September 2023, the Court has given a conditional order to permanently stay the winding up order and proceedings against the Company, subject to the fulfilment of the conditions precedent to the Restructuring Transactions and that Completion has taken place (the “**Order**”). Accordingly, Resumption Guidance (iv) has been fulfilled simultaneously upon Completion.

Resumption Guidance (v): re-comply with Rules 3.10, 3.10A, 3.21, 3.25 and 3.17A of the Listing Rules

Reference is made to the Company's announcement dated 12 September 2023 in relation to the appointments of three independent non-executive Directors (the “**Appointments**”) subject to the permanent stay of the winding up order and proceedings of the Company. As the Order has been granted and the Completion has taken place, the Appointments have taken effective simultaneously upon Completion. Accordingly, Resumption Guidance (v) has been fulfilled.

(III) Arrangement for Matching Service for Odd Lots

The Company has appointed One China Securities Limited as an agent to provide matching services for the odd lots of Shares on a best effort basis during the period from 3 October 2023 to 24 October 2023 (both days inclusive). Holders of odd lots of the New Shares who wish to either make up a full board lot, or to dispose of their holding of odd lots of the New Shares may contact Ms. Carmen Wong of One China Securities Limited at 2/F., Cheong K. Building, 86 Des Voeux Road Central, Central, Hong Kong, or at telephone number (852) 3188 2676 during normal business hours in the aforesaid period.

Holders of New Shares in odd lots should note that successful matching of the sale and purchase of odd lots of New Shares is not guaranteed. Shareholders are advised to consult their professional advisers if they are in doubt about the above arrangement.

(IV) Resumption of Trading

Trading in the Company's shares on the Stock Exchange, has been suspended with effect from 9:00 a.m. on 1 April 2021. As all the Resumption Guidance have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 3 October 2023 on the Stock Exchange.

By order of the Board
North Mining Shares Company Limited
Yang Ying Min
Chairman & Chief Executive Officer

Hong Kong, 29 September 2023

As at the date of this announcement, the Board comprises Yang Ying Min as Chairman and executive Director, Qian Yi Dong and Shen Jian as executive Directors, and Shek Man Ho, Shen Ming Jie and Feng Jia Wei as independent non-executive Directors.