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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)

MAJOR TRANSACTION ACQUISITION OF 65% EQUITY INTEREST IN THE TARGET COMPANY

THE ACQUISITION

The Board is pleased to announce that on 24 July 2015, the Company entered into the Acquisition Agreement with the Vendor, pursuant to which the Company conditionally agreed to acquire 65% equity interest of the Target Company from Vendor at a total consideration of HK\$949,800,000.

The Consideration shall be satisfied by the Company in the following manner:

- (i) HK\$100,000,000 shall be paid by way of issue and allotment of 400,000,000 Consideration Shares at the Issue Price within 10 Business Days upon the signing of the Acquisition Agreement; and
- (ii) HK\$849,800,000 shall be paid by way of issue of the Promissory Note upon the Completion.

Completion of the Acquisition Agreement is conditional upon, among others, the conditions precedent set out in the Acquisition Agreement being satisfied on or before the Long Stop Date.

Upon Completion, the Target Company will become a subsidiary of the Company and accordingly, the financial information of the Target Company will be consolidated into the accounts of the Group.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Acquisition as calculated pursuant to Rule 14.07 of the Listing Rules exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and Shareholders' approval requirements under the Listing Rules.

GENERAL

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Acquisition and the transactions contemplated thereunder. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, none of the Shareholders has a material interest in the Acquisition and no Shareholder is required to abstain from voting on the resolution(s) in respect of the Acquisition at the SGM.

A circular containing, among others, further details of the Acquisition and notice of the SGM approving the Acquisition will be dispatched to the Shareholders on or before 14 August 2015 as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 8 July 2015 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 27 July 2015.

As completion of the Acquisition Agreement is subject to certain conditions, the Acquisition contemplated thereunder may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE ACQUISITION AGREEMENT

Date

24 July 2015

Parties

Purchaser: the Company

Vendor: Hua Tun (Group) Company Limited* 華豚(集團)有限公司

The Vendor is a limited company incorporated under the laws of the PRC and principally engaged in investment holding. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) is/are third party(ies) independent of the Company and its connected persons (as defined in Chapter 14A of the Listing Rules).

Assets to be acquired

The Sale Shares, represents 65% equity interests of the Target Company.

Consideration

The Consideration for the Acquisition is HK\$949,800,000 and shall be payable by the Company to the Vendor in the following manner:

- (i) HK\$100,000,000 shall be paid by way of issue and allotment of 400,000,000 Consideration Shares at the Issue Price within 10 Business Days upon the signing of the Acquisition Agreement; and
- (ii) HK\$849,800,000 shall be paid by way of issue of the Promissory Note upon the Completion.

The Consideration was arrived at based on normal commercial terms after arm's length negotiations between the Company and the Vendor with reference to the fair market value on the Target Company of RMB1,510,000,000 (equivalent to approximately HK\$1,887,500,000) estimated by a qualified independent valuer as at 15 July 2015.

In the event that the conditions precedent to the Acquisition has not been fulfilled (or waived by the Company) by the Long Stop Date, either the Company or the Vendor shall be entitled to terminate the Acquisition Agreement by giving written notice to the other whereupon the Vendor shall return the refundable deposit of HK\$100,000,000 (i.e. equivalent to the cash value of the Consideration Shares) in full to the Company within 5 Business Days from the date of the termination notice. The Vendor can retain the Consideration Shares after the deposit is fully refunded to the Company.

Conditions Precedent

Completion of the Acquisition will take place on the Completion Date, which shall be conditional upon and subject to, among others:

- i. the results of legal and financial due diligence, including but not limited to the affairs, business and financial position of the Target Company are satisfactory to the Company or its representatives in its sole and absolute discretion;
- ii. the Company having obtained of a PRC legal opinion issued by a qualified PRC lawyer appointed by the Company, whose content and form are in accordance with the form and substance satisfactory to the Company, and whose substance includes but is not limited to the recognition of the legality of the transaction under the Acquisition and the ownership transfer of the assets and the operations of the Target Company;

- iii. the Company having obtained of a valuation report on the Target Company conducted by a qualified independent valuer, whose content and form are in accordance with the form and substance satisfactory to the Company;
- iv. the passing by the Shareholders at the SGM of the ordinary resolution to approve the Acquisition Agreement and all transactions contemplated thereunder;
- v. the Listing Committee having granted the listing of, and permission to deal in, the Consideration Shares;
- vi. all necessary statutory governmental and regulatory obligations shall have been complied with and all approvals, consents, authorisations, permissions, licences, agreements, exemptions and waivers (so far as are necessary) in relation to the transactions contemplated under the Acquisition Agreement shall have been obtained from the relevant governmental and regulatory authorities in Hong Kong, PRC or any other regions if applicable;
- vii. the Company having been satisfied that, at all time from the date of the Acquisition Agreement up to the Completion Date, all warranties given by the Vendor under the Acquisition Agreement remain true, in place, not misleading in all material aspect and not breached, and that there has been no event or situation leading to any material adverse change;
- viii. the Vendor being satisfied with the due diligence results in relation to, inter alia, the financial position and operation of the Company; and
- ix. the Company having obtained all the necessary approvals, consents or waivers (as the case maybe) in accordance with the Listing Rules, the Takeovers Code or other applicable regulations of the Stock Exchange and the SFC.

Save for condition (v), (vi) and (ix), the Company may at its absolute discretion at any time waive in writing any of the above conditions. For the avoidance of doubt, save as mentioned above, no other party to the Acquisition Agreement may waive any of the above conditions. If the conditions have not been fulfilled (or, where applicable, waived by the Company in writing) on or before the Long Stop Date, the Company may give termination notice to the Vendor in writing to terminate the Acquisition Agreement and its obligations thereunder with immediate effect. Unless otherwise specified in the Acquisition Agreement, no party to the Acquisition Agreement shall have any claim against or liability to the other party unless, save as those in respect of any antecedent breaches of the Acquisition Agreement.

Completion

Completion shall take place within 10 Business Days after the fulfillment or waiver of the conditions precedent of the Acquisition Agreement (or such later date as the parties to the Acquisition Agreement may agree in writing).

Issue of Consideration Shares

As the refundable deposit of the Acquisition, the Company shall issue 400,000,000 Consideration Shares at the Issue Price to the Vendor within 10 Business Days upon the signing of the Acquisition Agreement, which represents:

- (i) approximately 2.41% of the existing issued share capital of the Company of as at the date of this announcement; and
- (ii) approximately 2.35% of the issued share capital of the Company as enlarged after the issuance of Consideration Shares.

The Consideration Shares shall be allotted and issued under the General Mandate. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Issue Price

The Issue Price is HK\$0.25 per Share, which represents:

- (i) a premium of approximately 22.55% to the closing price of approximately HK\$0.204 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 19.09% to the average closing price of approximately HK\$0.309 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the Last Trading Date;
- (iii) a discount of approximately 24.70% to the average closing price of approximately HK\$0.332 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Date; and
- (iv) a discount of approximately 3.85% over the net asset price of approximately HK\$0.26 per Share, calculated based on the audited consolidated net asset of HK\$4,323,974,000 as at 31 December 2014 and 16,602,616,709 Shares in issue as at the date of the Acquisition Agreement.

The Issue Price is determined after arm's length negotiations between the parties to the Acquisition Agreement with reference to the recent closing prices of the Shares.

Ranking of the Consideration Shares

The Consideration shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of this announcement.

PRINCIPAL TERMS OF THE PROMISSORY NOTE

Issuer	: The Company
Principal amount	: HK\$849,800,000
Term	: 5 years commencing from the issue date of the Promissory Note

- Interest** : 1% per annum
- Early Redemption** : In the sole discretion of the Company, the Promissory Note may at any time prior to the maturity date be redeemed by the Company in full.
- Transferability** : Subject to the consent of the Company, the Promissory Note may be transferred to a third party independent of and not connected with the Company and its connected person. Any transfer of the Promissory Note shall be in respect of the whole or part only (in integral multiples of HK\$1,000,000) of the outstanding principal amount of the Promissory Note.
- Application for listing:** : No application will be made for the listing of, or permission to deal in, the Promissory Note on the Stock Exchange or any other stock exchange.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company incorporated in the PRC on 6 May 2014 and has commenced business since July 2014. The principal business of the Target Company is the provision of financial information services, and outsourcing of financial information technology entrusted by financial institutions. Prior to the completion of the Acquisition, the Target Company is owned as to 65% by the Vendor and 35% by an Independent Third Party.

The Target Company is currently operating the projects including a “peer-to-peer” lending platform of “Wang Qian Wang (網錢網)”, a micro-financial self-service platform of “Wang Qian Wang — Qian Bao Bao (錢保寶)” and a fast settlement business for merchant sales proceeds of “Wealth Management for Wang Qian Merchants (網錢商戶財富管理)” and a mobile e-commerce transaction platform of BUYFTZ.COM (網錢 — 買手).

The online “peer-to-peer” lending platform of “Wang Qian Wang” provide a channel of lending which complements the traditional short-term loan service. Through its lending platform, third parties borrowers with funding needs could seek the third parties lenders who willing to provide funding. The Target Company earns a commission through the provision of such lending platform. Currently, the number of registered users of the lending platform is more than 11,000 people and the total trading volume is approximately RMB150 million.

The micro-financial self-service platform of “Wang Qian Wang — Qian Bao Bao” is a network service platform for individual operators who are willing to provide network lending services. It provides standardized fund settlement services, transaction non-repudiation, legal assistance, trading guarantee and other corresponding platforms unified services. The individual operators providing network lending services are the guarantors of network lending transactions. They are known as “Qian Bao Bao” and are the main service target of the platform. “Qian Bao Bao” set up their financial service shops for money lending business on the Internet through the platform and develop their network lending business to earn lending service fees. The platform charges certain proportion from profits of

“Qian Bao Bao” as income. Currently, over 1,000 financial service shops have been set up by “Qian Bao Bao” on the platform and the total trading volume is approximately RMB720 million.

The fast settlement business for merchant sales proceeds of “Wealth Management for Wang Qian Merchants” is a financial service business established by the Target Company which allows small businesses to raise funds on the Internet for fast settlement of sales proceeds and wealth management purpose. It provides the small businesses with mobile payment and value-added services and sales receivable factoring services for bank card acquiring business. It also provides various services to individual and institutional investors, such as funding mismatches and settlement of advanced charges regarding sales receivable factoring services for bank card acquiring business, transaction data services, transaction monitoring services and risk control assistance services. Currently, the number of small business users is more than 50,000 and the total trading volume has exceeded RMB1,800 million.

BUYFTZ.COM (網錢—買手), a mobile e-commerce transaction platform of the free trade zone, is a e-commerce service launched by Wang Qian Wang (Shanghai) Information Technology Company Limited of the Target Company for online distributions of bonded trading with internationally-tradable commodities of the free trade zone. Its businesses include mobile clients, websites, bonded warehouses and direct-sale outlets for commodity trading. The characteristics of the transaction platform are (i) the provisions of transaction security services, which include transaction payment settlements and pre-determined compensation guarantees for imported goods; (ii) the unified and coordinated management by operators of the free trade zone, which ensures the sources, quality and prices of imported commodities. Currently, there are over 20,000 “BUYFTZ stores”, distributing thousands of quality international products ranging from automobiles to food. The Target Company is entitled to 1% service commission based on its trading volume.

Financial information of the Target Company

Since the Target Company has been incorporated since May 2014, there is only the financial information for the period during June 2014 to December 2014 in the previous financial year. The unaudited revenue and net loss before and after taxation and extraordinary items of the Target Company for each of the six months ended 31 December 2014 and the six months ended 30 June 2015 are set out below:

	Six months ended 31 December 2014 (RMB)	Six months ended 30 June 2015 (RMB)
Revenue	—	879,966
Net loss before taxation and extraordinary items	819,924	408,234
Net loss after taxation and extraordinary items	819,924	408,234

The unaudited net asset value of the Target Group as of 30 June 2015 was approximately RMB8,772,000. According to the valuation report on the Target Company prepared by a qualified independent valuer, the fair market value on the Target Company as at 15 July 2015 was estimated as to RMB1,510,000,000 (equivalent to approximately HK\$1,887,500,000).

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in exploitation, exploration and trading of mineral resources and property management operations.

The Company is constantly exploring opportunities in diversifying its business with a view to maximize return to the Group and its shareholders in the long run, and the Company believes the launching the new business in relation to the operation of comprehensive financing service platform is beneficial to the Group as the arrangement thereunder creates a new income stream for the Group.

Taking into account the benefits of the Acquisition, the Directors are of the view that the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the completion of the issue of Consideration Shares:

	As at the date of this announcement		Immediately upon completion of the issue of Consideration Shares	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of issued Shares</i>
Substantial Shareholders:				
Universal Union Limited	4,914,438,552	29.60	4,914,438,552	28.90
Public Shareholders	11,688,178,157	70.40	11,688,178,157	68.75
Vendor	—	—	400,000,000	2.35
Total	<u>16,602,616,709</u>	<u>100.00</u>	<u>17,002,616,709</u>	<u>100.00</u>

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Acquisition as calculated pursuant to Rule 14.07 of the Listing Rules exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and Shareholders' approval requirements under the Listing Rules.

GENERAL

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Acquisition and the transactions contemplated thereunder. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, none of the Shareholders has a material interest in the Acquisition and no Shareholder is required to abstain from voting on the resolution(s) in respect of the Acquisition at the SGM.

A circular containing, among others, further details of the Acquisition and notice of the SGM approving the Acquisition will be dispatched to the Shareholders on or before 14 August 2015 as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 8 July 2015 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 27 July 2015.

As completion of the Acquisition Agreement is subject to certain conditions, the Acquisition contemplated thereunder may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“Acquisition”	the acquisition of the Sale Shares and by the Purchaser from the Vendor pursuant to the terms of the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 24 July 2015 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Board”	the board of Directors
“Business Day”	a day (excluding any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business excluding Saturdays

“Company” or “Purchaser”	North Mining Shares Company Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Acquisition Agreement in accordance with the terms thereof
“Completion Date”	the day on which Completion takes place or such later date as the parties to the Acquisition Agreement may agree in writing)
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules
“Consideration”	the consideration of HK\$949,800,000 for the Sale Shares payable by the Purchaser to the Vendor pursuant to the Acquisition Agreement
“Consideration Shares”	the new Share(s) to be allotted and issued by the Company at the Issue Price to the Vendor as the refundable deposit of the Acquisition pursuant to the terms and conditions of the Acquisition Agreement, being an aggregate of maximum of 400,000,000 Shares
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 28 May 2015, pursuant to which the Company is authorised to issue and allot up to 3,320,523,341 Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Parity(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Issue Price”	HK\$0.25 per Consideration Share
“Last Trading Day”	7 July 2015, being the last full trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Long Stop Date”	31 December 2015 or such other date(s) as may be agreed in writing by the Vendor and the Purchaser from time to time on which the conditions precedent shall be fulfilled
“PRC”	The People’s Republic of China
“Promissory Note”	the promissory note in the principal amount of HK\$849,800,000 to be issued by the Company to the Vendor upon Completion
“Sale Shares”	being 65% equity interests of the Target Company which shall be legally and beneficially owned by the Vendor immediately prior to Completion
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Acquisition Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.016 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shanghai Hua Tun Financial Information Service Company Limited* 上海華豚金融資訊服務有限公司, a limited liability company established in the PRC
“Vendor”	Hua Tun (Group) Company Limited* 華豚(集團)有限公司, a limited liability company established in the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By order of the Board of
North Mining Shares Company Limited
Gao Yuan Xing
Chairman

Hong Kong, 24 July 2015

As at the date of this announcement, the Board of the Company comprises Mr. Gao Yuan Xing, Mr. Qian Yi Dong, Mr. Chen Jian Bao, Mr. Yang Ying Min, Mr. Zhang Jia Kun and Ms. Li Li Juan as executive Directors; and Mr. Mu Xiangming, Dr. Cheng Chak Ho and Mr. Lo Wa Kei Roy as independent non-executive Directors.

* For identification purposes only