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NORTH MINING SHARES COMPANY LIMITED

北方礦業股份有限公司

(Incorporated in the Bermuda with limited liability)

(Stock Code: 433)

COMPLETION OF ISSUE OF CONVERTIBLE NOTES AND NEW SHARES UNDER THE GENERAL MANDATE

Reference is made to the announcement of North Mining Shares Company Limited (the “**Company**”) dated 8 December 2016 in relation to the subscription of convertible notes and subscription of new shares under general mandate (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

COMPLETION OF ISSUE OF CONVERTIBLE NOTES AND NEW SHARES UNDER THE GENERAL MANDATE

The Board is pleased to announce that all conditions precedent under each of the CN Subscription Agreements and the Shares Subscription Agreement have been satisfied, respectively. The CN Completion B and the Shares Subscription Completion took place on 21 December 2016 pursuant to the CN Subscription Agreement B and the Shares Subscription Agreement. Accordingly, on 21 December 2016, the Company has issued (i) the Convertible Notes B in a principal amount of HK\$98,838,000 to the CN Subscriber B; and (ii) 1,654,929,577 new Shares at the Subscription Price of HK\$0.142 per Subscription Share to the Share Subscriber.

Further, the CN Completion A took place on 29 December 2016 pursuant to the CN Subscription Agreement A. Accordingly, on 29 December 2016, the Company has issued the Convertible Notes A in a principal amount of HK\$250,000,000 to the CN Subscriber A.

The approval for the listing of, and the permission to deal in, the Conversion Shares A, the Conversion Shares B and the Subscription Shares has been granted by the Listing Committee of the Stock Exchange.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately before the Share Subscription Completion and the CN Completions and (ii) immediately after the Shares Subscription Completion and the CN Completions (assuming full conversion of the Convertible Notes A and the Convertible Notes B at the initial Conversion Price and there is no further issue or repurchase of the Shares):

	Immediately before the Share Subscription Completion and the CN Completions		Immediately after the Shares Subscription Completion and the CN Completions (assuming full conversion of the Convertible Notes A and the Convertible Notes B at the initial Conversion Price and there is no further issue or repurchase of the Shares)	
	Number of Shares	approximately %	Number of Shares	approximately %
Universal Union Limited	3,729,808,552	18.74%	3,729,808,552	15.62%
China Huarong International Holdings Limited	3,028,000,000	15.21%	3,028,000,000	12.68%
Gu Jie	1,876,580,000	9.43%	1,876,580,000	7.86%
The CN Subscriber A	—	—	1,666,666,666	6.98%
The CN Subscriber B	—	—	658,920,000	2.76%
The Share Subscriber	—	—	1,654,929,577	6.93%
Other public shareholders	<u>11,268,228,157</u>	<u>56.62%</u>	<u>11,268,228,157</u>	<u>47.17%</u>
Total	<u><u>19,902,616,709</u></u>	<u><u>100.00%</u></u>	<u><u>23,883,132,952</u></u>	<u><u>100.00%</u></u>

By order of the Board
North Mining Shares Company Limited
Yang Ying Min
Chairman

Hong Kong, 29 December 2016

As at the date of this announcement, the Board comprises Mr. Yang Ying Min, Mr. Qian Yi Dong, Mr. Zhang Jia Kun and Ms. Li Li Juan as executive Directors; and Mr. William Fong, Mr. Leung Kar Fai and Dr. Cheng Chak Ho as independent non-executive Directors.