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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)

COMPLETION OF SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of North Mining Shares Company Limited (the “**Company**”) dated 7 June 2020 in relation to the subscription of new shares under general mandate (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated herein.

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that all the conditions precedent set out in the Subscription Agreement had been fulfilled and the completion of the Subscription took place on 29 July 2020. An aggregate of 1,875,000,000 Subscription Shares have been subscribed by the Subscriber at the Subscription Price of HK\$0.016 per Subscription Share pursuant to the terms and conditions of the Subscription Agreement.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiry, the Subscriber is an Independent Third Party.

The net proceeds from the Subscription, after deducting professional fees and other related expenses, amounted to approximately HK\$29,800,000 (at HK\$0.0159 per Subscription Share), which is intended by the Company to utilize for (i) payment of the first instalment of the settlement sum under the settlement agreement entered into between the Company and the Petitioner on 7 June 2020; (ii) repayment of other indebtedness of the Group; and (iii) general working capital of the Group.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the changes to the shareholding structure of the Company immediately before completion of the Subscription and immediately after completion of the Subscription:

	Immediately before completion of the Subscription		Immediately after completion of the Subscription	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Qian Yong Wei (“ Mr. Qian ”) (Note 1)	11,500,000	0.05	11,500,000	0.05
China Wan Tai Group Limited (“ China Wan Tai ”) (Note 1)	234,240,000	1.09	234,240,000	1.01
Universal Union Limited (“ Universal Union ”) (Note 1)	3,146,168,552	14.64	3,146,168,552	13.46
China Gem Fund IX L.P. (“ China Gem Fund ”) (Notes 2, 3)	3,018,000,000	14.04	3,018,000,000	12.91
Gu Jie (“ Mr. Gu ”) (Notes 2, 4)	1,876,580,000	8.73	1,876,580,000	8.03
Pleasant Journey Global Limited (“ Pleasant Journey ”) (Note 5)	1,324,929,577	6.16	1,324,929,577	5.67
The Subscriber	—	—	1,875,000,000	8.02
Other public Shareholders	11,883,968,157	55.29	11,883,968,157	50.85
Total	<u>21,495,386,286</u>	<u>100.00</u>	<u>23,370,386,286</u>	<u>100.00</u>

Notes:

- Mr. Qian beneficially owns 11,500,000 Shares, and held 95% interest in China Wan Tai. China Wan Tai beneficially owns 234,240,000 Shares, and held 100% interest in Universal Union. Universal Union beneficially owns 3,146,168,552 Shares.
- (i) Driven Innovation Limited (“**Driven Innovation**”) is the limited partner of China Gem Fund contributing approximately 83.75% of the total capital commitment including its 3,018,000,000 Shares to China Gem Fund. Driven Innovation is wholly-owned by China Huarong International Holdings Limited (“**China Huarong International**”) which in turn is owned as to 11.90% by Huarong Zhiyuan Investment & Management Company Limited (“**Huarong Zhiyuan**”) and as to 88.10% by Huarong Real Estate Company Limited (“**Huarong Real Estate**”). Huarong Zhiyuan and Huarong Real Estate both are wholly-owned by China Huarong Asset Management Company Limited. (ii) Oceanic Merchant Limited (“**Oceanic**”) is wholly-owned by China Huarong International. Mr. Gu charged 1,870,000,000 of the Shares he is interested to Oceanic on 11 December 2014. Accordingly, China Gem Fund is interested in 3,018,000,000 Shares, Driven Innovation is deemed to be interested in 3,018,000,000 Shares, each of China Huarong Asset Management Company Limited, Huarong Real Estate, China Huarong International is deemed to be interested in 4,888,000,000 Shares and Oceanic is interested in 1,870,000,000 Shares for the purpose of Part XV of the SFO.

- (3) China Gem Investment Management Limited (“**China Gem Investment**”), the general partner of China Gem Fund is directly wholly-owned by China Gem Financial Group Limited (“**China Gem Financial**”) which is, in turn, directly wholly-owned by China Gem Group Limited (“**China Gem Group**”) which is, in turn, directly wholly-owned by Zhong Ling (“**Mr. Zhong**”). Accordingly, each of China Gem Investment, China Gem Financial, China Gem Group and Mr. Zhong is deemed to be interested in 3,018,000,000 Shares held by China Gem Fund for the purpose of Part XV of the SFO.
- (4) The Company issued and allotted a total of 1,870,000,000 conversion shares to Mr. Gu on 29 August 2014 and Mr. Gu subsequently charged these shares to Oceanic on 11 December 2014.
- (5) These shares were held by Pleasant Journey. Pleasant Journey is wholly-owned by Mint International Group Limited which is wholly-owned by Shanghai Mint Investment Advisory Company Limited (“**Shanghai Mint**”). Shanghai Mint is deemed to be interested in the Shares held by Pleasant Journey for the purpose of Part XV of the SFO.

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

Hong Kong, 5 August 2020

As at the date of this announcement, the Board of the Company comprises Mr. Yang Ying Min, Mr. Qian Yi Dong, Mr. Zhang Jia Kun and Mr. Zhao Jian as Executive Directors; and Mr. Wong Wai Chun Alex and Dato Dr. Cheng Chak Ho as Independent Non-executive Directors.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.