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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)

SUPPLEMENTAL ANNOUNCEMENT INSIDE INFORMATION WINDING UP PETITION AGAINST THE COMPANY

References are made to the announcements (the “**Announcements**”) of North Mining Shares Company Limited (the “**Company**”) dated 7 June 2020 and 4 February 2021 in relation to the 2nd Petition. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

The Board wishes to provide the Shareholders and potential investors of the Company with the following additional information in relation to the 2nd Petition as set out below:

DETAILS AND BASIS OF THE 2ND PETITION

The Company received the 2nd Petition on 31 December 2020. As disclosed in the Company’s announcement dated 7 June 2020, the Company reached a Settlement Agreement with the Petitioner in relation to the Indebtedness and the 2nd Petition was filed against the Company on the principal ground that the Company has failed to pay the sum of HK\$15,000,000.00 (the “**Debt**”), being the 2nd instalment payable by the Company to the Petitioner pursuant to the Settlement Agreement.

In the 2nd Petition, the Petitioner also alleged that:

1. on 9 December 2020, a statutory demand dated 8 December 2020 (the “**Statutory Demand**”) pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) was served on the Company by leaving the same at the principal place of business of the Company at the time of service of the Statutory Demand;

2. more than 21 days had lapsed since the service of the Statutory Demand on the Company but, as at the date of the 2nd Petition, the Company had failed and/or neglected to pay, or to secure or compound to the reasonable satisfaction of the Petitioner, the Debt; and
3. notwithstanding the issuance of the Statutory Demand and the repeated demands and requests by the Petitioner, the Company had failed to repay the Debt in full or any part thereof.

As disclosed in the Announcements, the 2nd Petition will be heard before a master of the High Court at 9:30 a.m. on 31 March 2021. The 2nd Petition was filed in the High Court only as an application for the winding up of the Company and as at the date of this announcement no winding up order has been granted by the High Court to wind up the Company.

EFFECT OF THE 2ND PETITION

As disclosed in the announcement of the Company dated 22 December 2020, the Company had entered into subscription agreements (the “**Subscription Agreements**”) with Huatuan (Group) Limited* (華豚(集團)有限公司) and SFund International Investment Fund Management Ltd* (廣州基金國際股權投資基金管理有限公司) (the “**Subscribers**”) in relation to the subscription of convertible notes to be issued by the Company. The completion of the Subscription Agreements is conditional upon the fulfilment or waiver (as the case may be) of certain conditions precedent, one of which is that the Company’s representations and warranties remaining true, accurate and are not misleading in all respects at all times between the date of the Subscription Agreements and the completion date of the Subscription Agreements (both dates inclusive) (the “**Condition**”). One of the representations and warranties given by the Company in the Subscription Agreements was that there is no basis for any liquidation proceedings being proposed against the Company. As such, the 2nd Petition may deter the Condition from being fulfilled, and the non-waiver of the Condition by the Subscribers may in turn affect the completion of the Subscription Agreements.

ACTIONS TAKEN BY THE COMPANY IN RESPECT OF THE 2ND PETITION

The Company is in the course of seeking legal advice on the 2nd Petition from its legal advisers and financial advisers to determine the next steps and possible actions in respect of the 2nd Petition to protect the interests of the Company and the shareholders of the Company. Since having received the 2nd Petition, the Company has commenced discussion and negotiation with the Petitioner for an amicable settlement of the 2nd Petition. Meanwhile, the Company is also considering possible fund-raising activities to settle the Debt.

In view of the impact of the possible winding up order on the transfer of shares of the Company (“**Shares**”), the Company is in the course of seeking advice from its legal advisers regarding a possible application to the High Court for a validation order. Shareholders of the Company are reminded that there is no guarantee that any validation order would be granted by the High Court. In the event where a validation order is not granted but the winding up order is not dismissed or permanently stayed, all transfers of Shares, after the commencement of the winding up, shall be void.

The Company will keep its shareholders and investors informed of any significant development of the 2nd Petition and will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

Transfer of Shares may be restricted as the deposits of the Company's shares into CCASS may be suspended due to the 2nd Petition. Shareholders and potential investors should accordingly exercise caution when dealing in the securities of the Company.

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

Hong Kong, 11 February 2021

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, Ms. Guo Xiao Ying and Dato Dr. Cheng Chak Ho as Independent Non-executive Directors.

* *For identification purposes only*