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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)**

### **VOLUNTARY ANNOUNCEMENT**

- (1) FORMATION OF JOINT VENTURE;**
- (2) APPOINTMENT OF DIRECTOR; AND**
- (3) GRANT OF SHARE OPTIONS**

#### **FORMATION OF JOINT VENTURE**

On 9 April 2018 (after trading hours), the Company and Mr. Xu entered into the Joint Venture Agreement pursuant to which the Parties agreed to form the Joint Venture for the purpose of the establishment, operation, promotion and maintenance of blockchain asset trading platform and the research and development and application of blockchain related technology.

The formation of the Joint Venture does not constitute any notifiable transaction or connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules. The Company is publishing this announcement on a voluntary basis.

#### **APPOINTMENT OF EXECUTIVE DIRECTOR**

Pursuant to the terms of the Joint Venture Agreement, the Board is pleased to announce that Mr. Xu has been appointed as an executive Director of the Company with effect from 9 April 2018.

#### **GRANT OF SHARE OPTIONS**

Pursuant to Rule 17.06A of the Listing Rules, the Board announces that, on 9 April 2018, the Company granted 100,000,000 Share Options to Mr. Xu to subscribe for a total of 100,000,000 Shares under the Share Option Scheme at an exercise price of HK\$0.18 per Share.

## **FORMATION OF JOINT VENTURE**

The Board is pleased to announce that on 9 April 2018 (after trading hours), the Company and Mr. Xu entered into the Joint Venture Agreement pursuant to which the Parties agreed to form the Joint Venture for the purpose of the establishment, operation, promotion and maintenance of blockchain asset trading platform and the research and development and application of blockchain related technology.

## **THE JOINT VENTURE AGREEMENT**

### **Date**

9 April 2018

### **Parties**

- (i) the Company; and
- (ii) Mr. Xu

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Mr. Xu is third party independent of the Company and its connected persons.

### **Joint Venture**

The Joint Venture is proposed to be established as a limited liability company in accordance with the terms of the Joint Venture Agreement.

### **Business Scope**

The Joint Venture will be principally engaged in the establishment, operation, promotion and maintenance of blockchain asset trading platform and the research and development and application of blockchain related technology.

### **Shareholding of the Joint Venture**

The Joint Venture will be tentatively held as to 51% by the Company and 49% by Mr. Xu, subject to adjustment based on the actual situation and development of the Joint Venture.

## **INFORMATION OF THE PARTIES**

The principal activities of the Company are (i) mining operations — exploitation and trading of mineral resources; (ii) property management operations; (iii) chemical trading operation and; (iv) security technologies operations.

Mr. Xu is one of the pioneers in the blockchain industry in Asia Pacific and is an internationally renowned investor and entrepreneur in the internet finance industry. He has a wealth of experience in strategic planning and operating investment in start-up companies.

## **REASONS FOR AND BENEFITS OF THE FORMATION OF THE JOINT VENTURE**

Mr. Xu is backed by a strong team in the application of blockchain technology. The formation of the Joint Venture could provide an opportunity to the Group to leverage the strength and experience of Mr. Xu in the blockchain industry to tap into the technology innovation and investment development of the Company in blockchain technology.

The Directors are of the view that the terms of transactions under the Joint Venture Agreement are normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The formation of the Joint Venture does not constitute any notifiable transaction or connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules. The Company is publishing this announcement on a voluntary basis.

## **APPOINTMENT OF EXECUTIVE DIRECTOR**

Pursuant to the terms of the Joint Venture Agreement, the Board is pleased to announce that Mr. Xu has been appointed as an executive Director of the Company with effect from 9 April 2018.

Mr. Xu, aged 30, graduated with a bachelor degree from the School of Electronic Information and Electrical Engineering of Shanghai Jiaotong University. He is one of the pioneers in the blockchain industry in Asia Pacific and is an internationally renowned investor and entrepreneur in the internet finance industry, and he has nearly 10 years of experience in the blockchain industry. He has a wealth of experience in strategic planning and operating investment in start-up companies.

Mr. Xu is the co-founder of Blockchain Global, Australia which is the largest and fastest-growing blockchain startup company in Australia. Its businesses include blockchain cloud data centers, blockchain asset exchanges, and blockchain-related startups/project incubation centres. Blockchain Global has established strategic partnerships with IBM, Amazon, Microsoft, KPMG, Shine Wing, etc.

At the date of this announcement, Mr. Xu does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance apart from the Share Options disclosed in this announcement, nor did he have any relationships with any directors, senior management, substantial or controlling shareholders of the Company. Mr. Xu does not hold any other positions with the Company and other members of the Company, or any directorship in the past three years in any other public companies the securities of which are listed in Hong Kong or overseas.

Mr. Xu has entered into a letter of appointment with the Company for a term of 3 years commencing from 9 April 2018. Pursuant to the Bye-laws of the Company, Mr. Xu will hold office until the next general meeting of the Company but shall be eligible for re-election. Thereafter, he shall be subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company. Pursuant to the letter of appointment, Mr. Xu is entitled to a

director's nominal fee of HK\$1 per year and 100,000,000 Share Options as disclosed below, which is determined with reference to his duties and responsibilities within the Company, the Company's remuneration policy and the prevailing market conditions.

## **GRANT OF SHARE OPTIONS**

Pursuant to the Rule 17.06A of the Listing Rules, the Board announces that, on 9 April 2018, the Company granted 100,000,000 Share Options to Mr. Xu to subscribe for a total of 100,000,000 Shares under the Share Option Scheme. Details of share options offered to grant are set out as follows:

Date of grant	:	9 April 2018
Exercise price of share options granted	:	HK\$0.18
Number of share options granted	:	100,000,000
Closing price of the Shares on the date of grant	:	HK\$0.139
Validity period of the share options	:	3 years from 9 April 2018 to 8 April 2021

The Board considers that the grant of the Share Option may incentivize Mr. Xu to set up and develop the business of the Joint Venture.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of directors of the Company
“Company”	North Mining Shares Company Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 433)
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People's Republic of China
“Joint Venture”	a joint venture company to be established in accordance with the terms of the Joint Venture Agreement

“Joint Venture Agreement”	the joint venture agreement dated 9 April 2018 entered into between the Company and Mr. Xu in relation to the formation and management of the Joint Venture
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Xu”	Mr. Xu Zijing (許子敬)
“Parties”	the Company and Mr. Xu, and “Party” shall mean any one of them
“Share Option(s)”	share option(s) granted or to be granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 25 May 2011
“Share(s)”	share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 9 April 2018

*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 as Executive Directors; and Mr. William Fong, Mr. Leung Kar Fai and Dato Dr. Cheng Chak Ho as Independent Non-executive Directors.*