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NORTH MINING SHARES COMPANY LIMITED

北方礦業股份有限公司

(In Liquidation)

(Incorporated in Bermuda with limited liability)

(Stock Code: 433)

UPDATE ON RESUMPTION PROGRESS:

- (1) SANCTION OF THE SCHEME BY THE HIGH COURT OF HONG KONG;**
- (2) STATUS OF FULFILLMENT OF CONDITIONS PRECEDENT TO THE RESTRUCTURING AGREEMENT; AND**
- (3) STATUS OF FULFILLMENT OF THE RESUMPTION GUIDANCE**

Reference is made to the circular (the “**Circular**”) of North Mining Shares Company Limited (the “**Company**”) dated 13 June 2023 in relation to the Restructuring Transactions involving, inter alia, the Capital Reorganisation, the Investor’s Subscription and the Scheme; the announcement of the Company dated 12 September 2023 in relation to the update on expected timetable of the Proposed Restructuring; and the announcement of the Company dated 7 July 2023 in relation to the poll results of the special general meeting of the Company held on 7 July 2023. Unless otherwise specified, terms used herein shall have the same meaning as those defined in the Circular.

(1) SANCTION OF THE SCHEME BY THE HIGH COURT OF HONG KONG

As disclosed in the announcement of the Company dated 31 August 2023, at the Creditors’ meeting held on 28 August 2023, the Scheme was approved by the requisite statutory majorities of the Creditors.

On 15 September 2023, the High Court has granted an order (the “**Sanction Order**”) to approve and sanction the Scheme. The Company will arrange for the Sanction Order to be delivered to and registered with the Companies Registry of Hong Kong. Subject to the fulfillment of the condition precedents to the Scheme, the Scheme shall become effective.

(2) STATUS OF FULFILLMENT OF CONDITIONS PRECEDENT TO THE RESTRUCTURING AGREEMENT

As disclosed in the Circular, the conditions precedent to the completion of the Restructuring Agreement are as follow:

- (i) the signing of all the Restructuring Documents by all the parties thereunder as may be required to be entered into to give effect to the Restructuring Transactions before Completion;
- (ii) an official copy of the order of the High Court sanctioning the Scheme pursuant to the Companies Ordinance having been delivered to the Registrar of Companies in Hong Kong for registration;
- (iii) the order of the High Court sanctioning the dismissal of the winding-up petition presented against the Company and the discharge of the Liquidators in Hong Kong;
- (iv) the Scheme having become effective;
- (v) the resumption of trading of the Shares (or New Shares if the Capital Reorganisation has become effective) on the Stock Exchange (or the obtaining of an indication from the Stock Exchange that subject to the completion of each of the Restructuring Transactions and the fulfillment of all the resumption guidance given by the Stock Exchange the trading of the Shares will be resumed); and
- (vi) all necessary governmental, regulatory and corporate authorisations, approvals, consents and/or waivers for the entering into of the Restructuring Agreement and the performance of obligations hereunder having been obtained and effective.

As at the date hereof, condition (i) above has been fulfilled. The Company is arranging the Sanction Order to be delivered to the Companies Registrar for registration and subject to the fulfillment of the other conditions of the Scheme, the Scheme will become effective. The Company will also apply to the High Court for the permanent stay of the winding up order against the Company, thereby fulfilling the conditions (ii), (iii) and (iv) above.

Conditions precedent to the Capital Reorganisation

The effectiveness of the Capital Reorganisation is conditional upon the following:

- (i) the passing of the necessary resolutions by the Shareholders to approve the Capital Reorganisation at the SGM;
- (ii) compliance with section 46(2) of the Companies Act, including the Directors being satisfied that on the date on which the Capital Reduction and the Share Premium Cancellation are to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction and the Share Premium Cancellation would be, unable to pay its liabilities as they become due;

- (iii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the New Shares in issue following the Capital Reorganisation taking effect; and
- (iv) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

As at the date of this announcement, conditions (i) and (ii) above have been fulfilled. Subject to the fulfillment of conditions (iii) and (iv) above, it is expected that the Capital Reorganisation will take effect on 19 September 2023.

Conditions precedent to the Investor's Subscription

Completion of the Investor's Subscription is conditional upon the fulfillment of the following conditions precedent:

- (i) the Company having obtained either conditional approval or approval-in principle from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares, upon the Capital Reorganisation becoming effective, on the Stock Exchange and such approval has not been withdrawn prior to the Completion;
- (ii) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation, if any;
- (iii) the passing of at the SGM the Shareholders' resolutions of the Company approving: a. the Capital Reorganisation; b. the Investor's Subscription and the allotment and issue of the Subscription Shares; c. the Scheme and the allotment and issue of the Scheme Shares; and d. any other transactions contemplated under the Restructuring Agreement which require the approval of the Shareholders;
- (iv) the Company having obtained either conditional approval or approval-in principle from the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Subscription Shares and the Scheme Shares on the Stock Exchange and such approval has not been withdrawn prior to the Completion;
- (v) the Scheme having become unconditional (save for the condition that the Restructuring Agreement having become unconditional); and
- (vi) all other necessary waivers, consents and approval including but not limited to those from the Stock Exchange, the SFC (if applicable) and any other relevant government or regulatory authorities, which are required (if any) for the implementation of the Restructuring Transactions having been obtained, and all the conditions attached to such approval or decision (if any) having been fulfilled.

As at the date of this announcement, condition (iii) above has been fulfilled. Conditions (i), (ii) and (iv) are expected to be fulfilled immediately before the Capital Reorganisation becomes effective on 19 September 2023; Condition (v) is expected to

be fulfilled immediately prior to Completion; and condition (vi) is expected to be fulfilled immediately prior to the Completion given there is no other waivers or approvals required.

Conditions precedent to the Scheme

The Scheme shall become effective subject to the fulfillment of the following conditions precedent:

- (i) over fifty per cent. (50%) in number of the Creditors, representing at least seventy five per cent. (75%) in value of the Creditors, present and voting in person or by proxy at the Scheme meeting, vote in favour of the Scheme;
- (ii) the High Court sanctions the Scheme and an official copy of the order of the High Court sanctioning the Scheme is delivered to the Registrar of Companies in Hong Kong for registration;
- (iii) the passing of the necessary resolutions by Shareholders at the SGM for the Scheme, the transactions contemplated under the Capital Reorganisation, and the Investor's Subscription;
- (iv) the Company having obtained either conditional approval or approval in-principle from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scheme Shares on the Stock Exchange;
- (v) the Restructuring Agreement having become unconditional (save for the condition that the Scheme having become unconditional); and
- (vi) the Capital Reorganisation having become effective.

As at the date of this announcement, conditions (i) and (iii) above have been fulfilled. Condition (vi) is expected to be fulfilled on 19 September 2023. Condition (iv) is expected to be fulfilled immediately before the Capital Reorganisation becomes effective on 19 September 2023; condition (v) is expected to be fulfilled upon the Capital Reorganisation becomes effective on 19 September 2023; and conditions (ii) and (v) are expected to be fulfilled immediately prior to Completion.

(3) STATUS OF FULFILLMENT OF THE RESUMPTION GUIDANCE

On 15 June 2021, the Company received a letter from the Stock Exchange containing guidance with respect to resumption of trading in the Shares on the Stock Exchange (the "**Resumption Guidance**"). The Resumption Guidance is for the Company to:

- (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (ii) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules;
- (iii) inform the market of all material information for the Shareholders and other investors to appraise the Company's position;

- (iv) have the 3rd Petition (or order, if made) against the Company withdrawn or dismissed; and
- (v) re-comply with Rules 3.10, 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules.

Resumption Guidance (i)

As at the date of this announcement, all the outstanding financial results of the Company required under the Listing Rules have been published, and the audit modifications have been addressed. Accordingly, it is considered that Resumption Guidance (i) has been fulfilled.

Resumption Guidance (ii)

As disclosed in the announcement of the Company dated 10 February 2023, the mining license for the molybdenum mine of the Group, which is valid up to 22 February 2034, has been successfully renewed and granted by the Ministry of Natural Resources of the PRC. The mining license is the major license required for the Group to conduct its mining activities of its molybdenum mine. Subject to the renewal or obtaining of all the other ancillary license, the operation of the mining business of the Company will fully resume.

On the other hand, the Group has carried on its business segment of chemical trading operations as usual.

Moreover, as disclosed in the final results announcement and interim results announcement of the Company for the year ended 31 December 2022 and the six months ended 30 June 2023, the Company has a revenue of approximately HK\$1,295,666,000 and HK\$746,078,000 and total assets of approximately HK\$2,017,000,000 and HK\$1,923,048,000, respectively. The Company considers that it has a sufficient size of operation and assets to maintain its listing under Rule 13.24 of the Listing Rules. Accordingly, it is considered that Resumption Guidance (ii) has been fulfilled.

Resumption Guidance (iii)

The Company has from time to time published announcements to disclose the information, financial results and resumption progress update to the Shareholders and potential investors. Accordingly, it is considered that Resumption Guidance (iii) has been fulfilled.

Resumption Guidance (iv)

At the hearing at the High Court on 26 July 2023 for the convening of the Scheme meeting, the High Court has also directed that a hearing be held on 25 September 2023 for considering the permanent stay of the winding up order. Upon the granting of such an order to permanently stay the winding up order and proceedings against the Company, Resumption Guidance (iv) will be fulfilled.

Resumption Guidance (v)

As at the date of this announcement, the Company has appointed three candidates as the independent non-executive Directors, and the candidates have conditionally consented and agreed to take up the appointments, subject to the permanent stay of the winding up order and proceedings of the Company. Upon the appointments taking effective, Resumption Guidance (v) will be fulfilled.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice.

Completion of each of the Restructuring Transactions is subject to the fulfillment of various conditions. Accordingly, the Restructuring Transactions may or may not proceed. There is also no guarantee that trading of the Shares will resume. Shareholders and potential investors of the Company should exercise caution when dealing with the Shares.

For and on behalf of
North Mining Shares Company Limited
(In Liquidation)
So Kit Yee Anita
Lau Wun Man
Joint and Several Liquidators
acting as agents of the Company only and
without personal liability

Hong Kong, 15 September 2023

According to the information available from the previous announcement made by the Company, immediately before the making of winding up order against the Company by the Court, the board of directors of the Company comprises Mr. Yang Ying Min, Mr. Qian Yi Dong and Mr. Shen Jian as Executive Directors.

The affairs, business and property of the Company are being managed by the Joint & Several Liquidators who act as agents of the Company only and without personal liability.