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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 ENTERING INTO OF FORMAL AGREEMENT IN RELATION TO THE EQUITY TRANSFER**

#### **THE EQUITY TRANSFER**

This announcement is made by North Mining Shares Company Limited (the “**Company**”) on a voluntary basis to provide its Shareholders and potential investors.

The Board is pleased to announce that on 19 January 2024 (after trading hours of the Stock Exchange), the Transferee, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Mr. Chen pursuant to which Mr. Chen conditionally agreed to transfer his equity interest of 51% of the Target Company to the Transferee.

The Target Company, a company established in the PRC, is a high-tech enterprise which is principally engaged in research and development and sales of: non-ferrous metals, steel, mineral products, hardware, building materials, plastic products, and auto parts; processing of: copper and steel; import and export of goods, and import and export of technology.

## **LISTING RULES IMPLICATIONS**

As none of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Equity Transfer exceed 5%, the Equity Transfer itself does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

**Shareholders and potential investors should note that the Equity Transfer contemplated under the Equity Transfer Agreement is subject to satisfaction of certain conditions precedent and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

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## **THE EQUITY TRANSFER AGREEMENT**

The principal terms of the Equity Transfer Agreement are set out below:

### **Date**

19 January 2024 (after trading hours of the Stock Exchange)

### **Parties**

- (i) 上海銘勝企業管理有限公司, an indirect wholly-owned subsidiary of the Company, as the Transferee; and
- (ii) Mr. Chen as the transferer to the Equity Transfer Agreement.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Mr. Chen is an Independent Third Party.

### **Equity interest to be transferred**

Pursuant to the Equity Transfer Agreement, Mr. Chen, as the transferer, has conditionally agreed to transfer and the Transferee has conditionally agreed to assign the equity interest of 51% of the Target Company.

## **Consideration**

The transfer consideration of the Target Company is zero, the Transferee has to subscribe RMB5.1 million share capital of the Target Company.

## **Conditions precedent**

Completion of the Equity Transfer shall be conditional upon the fulfilment of the following conditions precedent:

- (i) the Company being satisfied with the results of the due diligence review to be conducted on the Target Company after signing of the Equity Transfer Agreement;
- (ii) all necessary consents, approvals and registration procedures of such equity changes of the Target Company from the relevant government authority in the PRC having been obtained;
- (iii) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Equity Transfer Agreement and the transaction contemplated thereunder having been obtained;
- (iv) there is no situations, facts or circumstances that would or might render the warranties or terms under the Equity Transfer Agreement being breached;
- (v) (if required) the passing by the Shareholders at a special general meeting of the Company to be convened and held of ordinary resolution(s) by poll to approve the Equity Transfer Agreement and the transactions contemplated thereunder in accordance with the Listing Rules and the applicable laws and regulations; and
- (vi) the warranties under the Equity Transfer Agreement to be given by the transferer to the Equity Transfer Agreement remain true, accurate and not misleading in all material respects.

If the conditions have not been fulfilled (or waived by the Transferee as the case may be) on or before 31 March 2024, or such later date as the transferer and the Transferee may agree, the Equity Transfer Agreement shall cease and neither party to the Equity Transfer Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

## **Completion**

Upon completion of the Equity Transfer, the Target Company will be held as to 51% by the Transferee and will become an indirect wholly-owned subsidiary of the Company, and its financial results will be consolidated into the consolidated financial statements of the Group.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company, a company established in the PRC, is a high-tech enterprise which is principally engaged in research and development and sales of: non-ferrous metals, steel, mineral products, hardware, building materials, plastic products, and auto parts; processing of: copper and steel; import and export of goods, and import and export of technology.

## **REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER**

The principal activities of the Group are (i) investment holding; (ii) mining operations — exploitation and exploration of mineral resources; and (iii) chemical trading operations — manufacturing and sale of chemical products.

The Board considers that the Equity Transfer would allow the Group to broaden the Group's business spectrum and it is beneficial for the Group to seek suitable investment opportunities from time to time to expand its business in the innovation of new business industry and enhance the long-term growth potential of the Group. In light of the promising market potential in the PRC, this new business segment, if materialised, is expected to generate a sustainable income growth for the Group. Hence, the Board is of the view that the entering into of the Equity Transfer Agreement is in the interest of the Group and the Shareholders as a whole.

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**Shareholders and potential investors should note that the Equity Transfer contemplated under the Equity Transfer Agreement is subject to satisfaction of certain conditions precedent and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	North Mining Shares Company Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Stock Exchange (stock code: 433)
“Connected person”	has the meanings as ascribed under the Listing Rules
“Completion”	completion of the Possible Share Transfer pursuant to the terms and conditions of the Formal Agreement
“Consideration”	The transfer consideration of the Target Company is zero
“Director(s)”	director(s) of the Company
“Equity Transfer”	the equity transfer contemplated under the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 19 January 2024 entered into between the Transferee and Mr. Chen whereby the Transferee has conditionally agreed to assign and Mr. Chen has conditionally agreed to transfer the equity interest of 51% of the Target Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chen”	陳藹源 (Chen Ai Yuan)

“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Transferee”	上海銘勝企業管理有限公司, a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.02 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	佛山市創萬利資源科技有限公司, a company established in the PRC with limited liability and is wholly owned by Mr. Chen as at the date of this announcement
“%”	per cent

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

Hong Kong, 19 January 2024

*As at the date of this announcement, the Board of the Company comprises Mr. Yang Ying Min, Mr. Qian Yi Dong, Mr. Shen Jian and Mr. Huang Zhidan as Executive Directors; and Mr. Shek Man Ho, Mr. Shen Ming Jie and Mr. Feng Jia Wei as Independent Non-executive Directors.*