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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)**

### **(1) SUBSCRIPTION OF CONVERTIBLE NOTES UNDER THE GENERAL MANDATE AND (2) SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE**

#### **THE CN SUBSCRIPTION AGREEMENTS AND THE SHARES SUBSCRIPTION AGREEMENT**

The Board is pleased to announce that on 8 December 2016 (after trading hours):–

- (i) the Company entered into the CN Subscription Agreement A with the CN Subscriber A, pursuant to which the CN Subscriber A has agreed to subscribe, and the Company has agreed to issue, the Convertible Notes A in an aggregate principal amount of HK\$250,000,000, which entitle the CN Subscriber A to subscribe for up to 1,666,666,666 Conversion Shares A at the initial Conversion Price A of HK\$0.15 per Conversion Share A (subject to adjustments);
- (ii) the Company entered into the CN Subscription Agreement B with the CN Subscriber B, pursuant to which the CN Subscriber B has agreed to subscribe, and the Company has agreed to issue, the Convertible Notes B in an aggregate principal amount of HK\$98,838,000 which entitle the CN Subscriber B to subscribe for up to 658,920,000 Conversion Shares B at the initial Conversion Price B of HK\$0.15 per Conversion Share B (subject to adjustments); and
- (iii) the Company entered into the Shares Subscription Agreement with the Share Subscriber, pursuant to which the Share Subscriber has agreed to subscribe, and the Company has agreed to issue and allot for up to 1,654,929,577 new Shares at the Subscription Price of HK\$0.142 per Subscription Share.

## **USE OF PROCEEDS**

The gross proceeds and the estimated net proceeds from the Subscriptions will be approximately HK\$583,838,000 and approximately HK\$582,838,000, respectively. The Company intends to apply the net proceeds from the Subscriptions for general working capital of the Group and/or financing any future acquisitions.

## **MANDATE TO ISSUE THE CONVERSION SHARES AND THE SUBSCRIPTION SHARES**

Under the General Mandate, the Company has been authorised by the Shareholders to issue up to 3,980,523,341 new Shares. As at the date of this announcement, no Share has been issued pursuant to the General Mandate.

The Conversion Shares and the Subscription Shares will be allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Convertible Notes and the allotment and issue of the Conversion Shares (upon conversion of the Convertible Notes) and the Subscription Shares are not subject to Shareholders' approval.

## **GENERAL**

The Company will make an application to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares A, the Conversion Shares B and the Subscription Shares on the Stock Exchange. No application will be made by the Company to the Listing Committee for listing of the Convertible Notes A and the Convertible Notes B.

**Completion of each of the CN Subscription Agreements and the Shares Subscription Agreement is subject to the fulfilment (or waiver) of all conditions set out therein. As the CN Subscription Agreements and the Share Subscription Agreement may or may not be completed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE CN SUBSCRIPTION AGREEMENTS**

Save for the principal amount of the convertible notes to be subscribed by each of the CN Subscriber A and the CN Subscriber B, the principal terms and conditions of the CN Subscription Agreement A and the CN Subscription Agreement B are substantially the same.

**Date**

8 December 2016 (after trading hours)

**Parties**

*Under the CN Subscription Agreement A*

- (i) the Company; and
- (ii) the CN Subscriber A.

*Under the CN Subscription Agreement B*

- (i) the Company; and
- (ii) the CN Subscriber B.

**CN Subscription A**

Pursuant to the CN Subscription Agreement A, the CN Subscriber A has agreed to subscribe, and the Company has agreed to issue, the Convertible Notes A in an aggregate principal amount of HK\$250,000,000, which entitle the CN Subscriber A to subscribe for up to 1,666,666,666 Conversion Shares A at the initial Conversion Price A of HK\$0.15 per Conversion Share A (subject to adjustments).

Assuming there is no further issue or repurchase of the Shares and the Convertible Notes A are converted in full at the initial Conversion Price A, the Conversion Shares A to be issued represent (i) approximately 8.37% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.73% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares A. The aggregate nominal value of the Conversion Shares A (with a par value of HK\$0.016 each) will be approximately HK\$26,666,667.

Subject to the fulfilment (or waiver) of the conditions precedent set out in the CN Subscription Agreement A, the CN Subscriber A shall subscribe for, and the Company shall issue, the Convertible Notes A in an aggregate principal amount of HK\$250,000,000 and the said amount shall be satisfied in cash.

**CN Subscription B**

Pursuant to the CN Subscription Agreement B, the CN Subscriber B has agreed to subscribe, and the Company has agreed to issue, the Convertible Notes B in an aggregate principal amount of HK\$98,838,000, which entitle the CN Subscriber B to subscribe for up to 658,920,000 Conversion Shares B at the initial Conversion Price B of HK\$0.15 per Conversion Share B (subject to adjustments).

Assuming there is no further issue or repurchase of the Shares and the Convertible Notes B are converted in full at the initial Conversion Price B, the Conversion Shares B to be issued represent (i) approximately 3.31% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.20% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares B. The aggregate nominal value of the Conversion Shares B (with a par value of HK\$0.016 each) will be HK\$10,542,720.

Subject to the fulfilment (or waiver) of the conditions precedent set out in the CN Subscription Agreement B, the CN Subscriber B shall subscribe for, and the Company shall issue, the Convertible Notes B in an aggregate principal amount of HK\$98,838,000 and the said amount shall be satisfied in cash.

### **Conditions precedent under each of the CN Subscription Agreements**

The CN Completion is conditional upon satisfaction of the following conditions:

- (a) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares falling to be issued upon exercise of the conversion rights attached to the Convertible Notes;
- (b) the warranties given by the Company having remained true and accurate and not misleading in all respects as at the CN Completion Date;
- (c) the warranties given by the CN Subscriber having remained true and accurate and not misleading in all respects as at the CN Completion Date; and
- (d) there being no injunction, restraining order or other order or any other legal or regulatory restraint or prohibition having been issued or made by any court of competent jurisdiction or governmental authority in effect precluding or prohibiting consummation of any part of the transactions contemplated under the (i) the CN Subscription Agreement, (ii) the Convertible Notes as represented by the note certificate (together with the terms and conditions) and (iii) any other deeds of adherence.

If any of the above conditions has not been fulfilled or waived (other than condition (a) which cannot be waived by the parties of the CN Subscription Agreement) on or before the CN Long Stop Date, the CN Subscription Agreement shall lapse and none of the parties shall have any obligations and liabilities towards each other save for any prior breaches of the terms of the CN Subscription Agreement.

The CN Subscriber may at its sole and absolute discretion to waive conditions (b) to (d) above.

As at the date of this announcement, none of the conditions precedent are fulfilled.

### **Completion**

The CN Completion shall take place on the CN Completion Date.

## Principal terms of the Convertible Notes A and the Convertible Notes B

Save for the principal amount, the principal terms and conditions of the Convertible Notes A and the Convertible Notes B are substantially the same.

- Principal amount : (i) HK\$250,000,000 in respect of the Convertible Notes A; and  
(ii) HK\$98,838,000 in respect of the Convertible Notes B.
- Issue price : 100% of the principal amount.
- Maturity date : The date falling on the second anniversary of the date of issue of the Convertible Notes (the “**Maturity Date**”).
- Interest rate : An interest rate of 10% per annum from the date of issue payable annually in arrears.
- Conversion rights : The noteholder will have the right to convert the whole or part of the principal amount of the Convertible Notes into the Conversion Shares at any time and from time to time, between the date of issue of the Convertible Notes, and up to the Maturity Date.
- Conversion Price : The initial Conversion Price is HK\$0.15 per Conversion Share, subject to adjustment as set out and in accordance with the terms and conditions in the instrument constituting the Convertible Notes.
- (1) a discount of approximately 15.25% to the closing price of HK\$0.177 per Share as quoted on the Stock Exchange on 8 December 2016, being the date of the CN Subscription Agreement;
  - (2) a discount of approximately 12.89% to the average closing price of HK\$0.1722 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately before the date of the CN Subscription Agreement; and
  - (3) a discount of approximately 10.02% to the average closing prices of HK\$0.1667 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately before the date of the CN Subscription Agreement.

The Conversion Price was arrived at after arm's length negotiations between the Company, and each CN Subscriber with reference to, among others, the recent market prices of the Shares. The Directors consider that the Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

- Adjustment to Conversion Price : The Conversion Price shall from time to time be adjusted in accordance with the relevant provisions under the terms and conditions of the Convertible Notes upon occurrence of, among other things, the following events:
- (i) consolidation or subdivision of the Shares;
  - (ii) capitalisation of profits or reserves;
  - (iii) capital distribution; and
  - (iv) offer of new Shares for subscription by way of rights, or issue or grant options or warrants or other rights to subscribe for new Shares.
- Conversion Shares : Based on the initial Conversion Price A of HK\$0.15 per Conversion Share A, a maximum of 1,666,666,666 Conversion Shares A will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes A in full.
- Based on the initial Conversion Price B of HK\$0.15 per Conversion Share B, a maximum of 658,920,000 Conversion Shares B will be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes B in full.
- Early Redemption : The Company shall have the right, at any time by written notice to the noteholder, redeem the whole or part of the outstanding principal amount of the Convertible Notes, together with interest accrued.
- Transferability : The noteholders may freely transfer the Convertible Notes to any third party which is not a connected person (as defined in the Listing Rules) of the Company.
- Voting rights : A noteholder will not be entitled to receive notice of, attend or vote at any general meetings of the Company by reason only of it being a noteholder.

Ranking : The Conversion Shares when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares then in issue.

## **THE SHARES SUBSCRIPTION AGREEMENT**

### **Date**

8 December 2016 (after trading hours)

### **Parties**

- (i) the Company; and
- (ii) the Share Subscriber.

### **Shares Subscription**

Pursuant to the Shares Subscription Agreement, the Share Subscriber has agreed to subscribe, and the Company has agreed to issue and allot for up to 1,654,929,577 new Shares at the Subscription Price of HK\$0.142 per Subscription Share.

Assuming there is no further issue or repurchase of the Shares, the Subscription Shares to be issued represent (i) approximately 8.32% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.68% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares (with a par value of HK\$0.016 each) will be approximately HK\$26,478,873.

### **Subscription Price**

The Subscription Price of HK\$0.142 per Subscription Share represents:

- (i) a discount of approximately 19.77% to the closing price of HK\$0.177 per Share as quoted on the Stock Exchange on 8 December 2016, being the date of the Shares Subscription Agreement;
- (ii) a discount of approximately 17.54% to the average closing price of HK\$0.1722 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately before the date of the Shares Subscription Agreement; and
- (iii) a discount of approximately 14.82% to the average closing price of HK\$0.1667 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately before the date of the Shares Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Share Subscriber with reference to, among others, the recent market price of the Shares. The Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.



The aggregate Subscription Price in the sum of HK\$235,000,000 will be payable in cash by the Share Subscriber on the Shares Subscription Completion Date.

### **Ranking of Subscription Shares**

The Subscription Shares, when fully paid and allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

### **Conditions Precedent**

The Shares Subscription Completion is conditional upon satisfaction (or waiver) of the following conditions:

- (a) the compliance with the requirements of the Stock Exchange and the Listing Rules, including but not limited to the listing of and permission to deal in all of the Subscription Shares being granted by the Listing Committee of the Stock Exchange (either unconditionally, or subject to customary conditions);
- (b) the Shares remaining listed and traded on the Stock Exchange at all times from the date hereof to the Shares Subscription Completion Date, save for any temporary suspension not exceeding five (5) consecutive trading days (as defined under the Listing Rules), or such longer period as the Share Subscriber may accept in writing, and no indication being received by the Company on or before the Shares Subscription Completion Date from the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange will or may be withdrawn or objected to as a result of Shares Subscription Completion or in connection with the terms of the Shares Subscription Agreement;
- (c) the warranties remaining true and accurate in all material respects, and not misleading in any material respect, as given on the date of the Shares Subscription Agreement and at Shares Subscription Completion; and
- (d) the Company having performed in all material respects all of the covenants and agreements required to be performed by it under the Shares Subscription Agreement on or prior to the Shares Subscription Completion Date.

The Share Subscriber may in its absolute discretion at any time waive in writing conditions (b), (c) and (d) (or any part thereof) above.

In the event any of the above conditions is not fulfilled (or being waived by the Share Subscriber), on or before the Shares Subscription Long Stop Date, the obligations of the Share Subscriber and the Company shall forthwith cease to be of any effect and none of the parties shall be bound to carry out the remaining terms of the Shares Subscription Agreement and no party shall have any right to damages or reimbursement for any cost and expenses that it may have incurred in connection with or arising out of the Shares Subscription Agreement or the failure to complete the Shares Subscription.



## **Completion**

The Shares Subscription Completion shall take place on the Shares Subscription Completion Date.

## **MANDATE TO ISSUE THE CONVERSION SHARES AND THE SUBSCRIPTION SHARES**

Under the General Mandate, the Company has been authorised by the Shareholders to issue up to 3,980,523,341 new Shares. As at the date of this announcement, no Share has been issued pursuant to the General Mandate.

The Conversion Shares and the Subscription Shares will be allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Convertible Notes and the allotment and issue of the Conversion Shares (upon conversion of the Convertible Notes) and the Subscription Shares are not subject to Shareholders' approval.

## **REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS**

The Group is principally engaged in exploitation, exploration and trading of mineral resources and property management operations.

The gross proceeds and the estimated net proceeds from the Subscriptions will be approximately HK\$583,838,000 and approximately HK\$582,838,000, respectively. The net price of each Subscription Share and Conversion Share is approximately HK\$0.1417 and approximately HK\$0.1498, respectively.

The Company intends to apply the net proceeds from the Subscriptions for general working capital of the Group and/or financing any future acquisitions.

The Board considers that entering into the Subscription Agreements and issuance and allotment of the Subscription Shares and the issuance of the Convertible Notes represent an opportunity for the Company to raise additional funding for business development and general working capital of the Group. Since the Subscription Agreements are entered into upon normal commercial terms following arm's length negotiations between the Company and each of the CN Subscriber A, the CN Subscriber B and the Share Subscriber, the Directors are of the view that the terms and conditions of the Subscription Agreements are fair and reasonable and the issuance and allotment of the Subscription Shares and issuance of the Convertible Notes are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE SUBSCRIBERS**

The CN Subscriber A is a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Guangzhou Assets Investment Fund Management Company Limited\* (廣州產業投資基金管理有限公司) and is principally engaged in securities trading, asset management and bond investment.

The CN Subscriber B is a company incorporated in the PRC with limited liability and is principally engaged in securities trading and asset management.

The Share Subscriber is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the CN Subscriber A, CN Subscriber B and the Share Subscriber and their respective ultimate beneficial owner(s) are Independent Third Parties.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Shares Subscription Completion (assuming there is no further issue or repurchase of the Shares); and (iii) immediately after the Shares Subscription Completion and the CN Completions and assuming full conversion of the Convertible Notes A and the Convertible Notes B at the Conversion Price (assuming there is no further issue or repurchase of the Shares):

	As at the date of this announcement		Immediately after the Shares Subscription Completion (assuming there is no further issue or repurchase of the Shares)		Immediately after the Shares Subscription Completion and the CN Completions and assuming full conversion of the Convertible Notes A and the Convertible Notes B at the Conversion Price (assuming there is no further issue or repurchase of the Shares)	
	Number of Shares	Approximately %	Number of Shares	Approximately %	Number of Shares	Approximately %
Universal Union Limited	3,729,808,552	18.74%	3,729,808,552	17.30%	3,729,808,552	15.62%
China Huarong International Holdings Limited	3,028,000,000	15.21%	3,028,000,000	14.05%	3,028,000,000	12.68%
Gu Jie	1,876,580,000	9.43%	1,876,580,000	8.70%	1,876,580,000	7.86%
The CN Subscriber A	—	—	—	—	1,666,666,666	6.98%
The CN Subscriber B	—	—	—	—	658,920,000	2.76%
The Share Subscriber	—	—	1,654,929,577	7.68%	1,654,929,577	6.93%
Other public Shareholders	<u>11,268,228,157</u>	<u>56.62%</u>	<u>11,268,228,157</u>	<u>52.27%</u>	<u>11,268,228,157</u>	<u>47.18%</u>
<b>Total</b>	<u><u>19,902,616,709</u></u>	<u><u>100.00%</u></u>	<u><u>21,557,546,286</u></u>	<u><u>100.00%</u></u>	<u><u>23,883,132,952</u></u>	<u><u>100.00%</u></u>

## EQUITY FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

Set out below are the equity fund raising activities of the Company during the past twelve months immediately preceding the date of this announcement:

Date of announcement	Description	Net proceeds raised (approximate)	Intended use of proceeds	Actual use of net proceeds (approximate)
17 December 2015 (Terminated on 18 August 2016)	Issue of convertible notes under specific mandate and grant of options for the convertible notes	HK\$395 million	Use for general working capital of the Group and also for future development of Group when any investment opportunities arise	The issue of convertible notes under specific mandate and grant of options for the convertible notes has been terminated on 18 August 2016.

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

### GENERAL

The Company will make an application to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares and the Subscription Shares on the Stock Exchange. No application will be made by the Company to the Listing Committee for the listing of the Convertible Notes A and the Convertible Notes B.

**Completion of each of the CN Subscription Agreements and the Shares Subscription Agreement is subject to the fulfilment (or waiver) of all conditions set out therein. As the CN Subscription Agreements and the Shares Subscription Agreement may or may not be completed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“Board”	the board of Directors
“Business Day(s)”	any day (excluding a Saturday) on which banks generally open for normal banking business in Hong Kong
“CN Completion A”	completion of the CN Subscription A contemplated under the CN Subscription Agreement A
“CN Completion B”	completion of the CN Subscription B contemplated under the CN Subscription Agreement B

“CN Completion Date”	the CN Completion Date A or the CN Completion Date B, as the case maybe
“CN Completion Date A”	a date no later than three (3) Business Days after the fulfillment or waiver of the conditions to the CN Completion A or such other dates as the Company and the CN Subscriber A may mutually agree
“CN Completion Date B”	a date no later than three (3) Business Days after the fulfillment or waiver of the conditions to the CN Completion B or such other dates as the Company and the CN Subscriber B may mutually agree
“CN Completions”	the CN Completion A and the CN Completion B, and “CN Completion” means any one of the CN Completions
“CN Long Stop Date”	CN Long Stop Date A or CN Long Stop Date B, as the case maybe
“CN Long Stop Date A”	31 December 2016 (or such other dates as the Company and the CN Subscriber A may mutually agree), being the long stop date under the CN Subscription Agreement A
“CN Long Stop Date B”	31 December 2016 (or such other dates as the Company and the CN Subscriber B may mutually agree), being the long stop date under the CN Subscription Agreement B
“CN Subscriber”	CN Subscriber A or CN Subscriber B, as the case maybe
“CN Subscriber A”	Shanghai Huiyin Hanfei Equity Investment Fund Management Company Limited* (上海匯垠翰非股權投資基金管理有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Guangzhou Assets Investment Fund Management Company Limited* (廣州產業投資基金管理有限公司)
“CN Subscriber B”	Shanghai Linzi Asset Management Company Limited* (上海林孜資產管理有限公司), a company incorporated in the PRC with limited liability
“CN Subscription A”	the subscription of the Convertible Notes A by the CN Subscriber A pursuant to the CN Subscription Agreement A
“CN Subscription Agreement A”	the conditional subscription agreement dated 8 December 2016 entered into between the Company and the CN Subscriber A in relation to the CN Subscription A
“CN Subscription Agreement B”	the conditional subscription agreement dated 8 December 2016 entered into between the Company and the CN Subscriber B in relation to the CN Subscription B

“CN Subscription Agreements”	the CN Subscription Agreement A and the CN Subscription Agreement B, and “CN Subscription Agreement” means any one of the CN Subscription Agreements
“CN Subscription B”	the subscription of the Convertible Notes B by the CN Subscriber B pursuant to the CN Subscription Agreement B
“Company”	North Mining Shares Company Limited, a company incorporated in the Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Price”	Conversion Price A or Conversion Price B, as the case may be
“Conversion Price A”	the initial conversion price of the Convertible Notes A of HK\$0.15 per Conversion Share A, subject to adjustments
“Conversion Price B”	the initial conversion price of the Convertible Notes B of HK\$0.15 per Conversion Share B, subject to adjustments
“Conversion Share(s)”	the Conversion Share(s) A or the Conversion Share(s) B, as the case may be
“Conversion Share(s) A”	new Share(s) to be allotted and issued by the Company upon the exercise of the conversion rights attaching to the Convertible Notes A at the Conversion Price A
“Conversion Share(s) B”	new Share(s) to be allotted and issued by the Company upon the exercise of the conversion rights attaching to the Convertible Notes B at the Conversion Price B
“Convertible Notes”	the Convertible Notes A or the Convertible Notes B, as the case may be
“Convertible Notes A”	the 10% interest bearing convertible notes in a principal amount of HK\$250,000,000 to be issued by the Company pursuant to the CN Subscription Agreement A
“Convertible Notes B”	the 10% interest bearing convertible notes in a principal amount of HK\$98,838,000 to be issued by the Company pursuant to the CN Subscription Agreement B
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 19 May 2016

“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party who is not connected person of the Company and is independent of and not connected with the connected persons of the Company
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Share(s)”	ordinary shares of HK\$0.016 each in the share capital of the Company
“Shareholders”	the holders of Shares
“Share Subscriber”	Hong Kong Bridge Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of Topsearch International (Holdings) Limited
“Shares Subscription Completion”	the completion of the issue and allotment of the Subscription Shares by the Company to the Share Subscriber in accordance to the terms and conditions of the Shares Subscription Agreement
“Shares Subscription Completion Date”	Second Business Day after the fulfillment or waiver of the conditions to the Shares Subscription Completion or such other date as the Company and the Share Subscriber may mutually agree
“Share Subscription Long Stop Date”	31 December 2016 (or such later date as the Company and the Share Subscriber may agree)
“Shares Subscription”	the subscription of the Subscription Shares by the Share Subscriber pursuant to the terms and conditions of the Shares Subscription Agreement
“Shares Subscription Agreement”	the conditional subscription agreement dated 8 December 2016 entered into between the Company and the Share Subscriber in relation to the Shares Subscription
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriptions”	collectively, the CN Subscription A, the CN Subscription B and the Shares Subscription
“Subscription Agreements”	collectively, the CN Subscription Agreement A, the CN Subscription Agreement B and the Shares Subscription Agreement
“Subscription Price”	HK\$0.142 per Subscription Share
“Subscription Share(s)”	an aggregate of 1,654,929,577 new Shares to be issued by the Company to the Share Subscriber pursuant to the Shares Subscription Agreement
“%”	per cent.

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

Hong Kong, 8 December 2016

*As at the date of this announcement, the Board comprises Mr. Yang Ying Min, Mr. Qian Yi Dong, Mr. Zhang Jia Kun and Ms. Li Li Juan as executive Directors; and Mr. William Fong, Mr. Leung Kar Fai and Dr. Cheng Chak Ho as independent non-executive Directors.*

\* *For identification purposes only*