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## **SIBERIAN MINING GROUP COMPANY LIMITED**

**西伯利亞礦業集團有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1142)**

### **FULFILMENT OF RESUMPTION CONDITIONS AND RESUMPTION OF TRADING**

#### **SUMMARY**

The Company has satisfied all the conditions for Resumption.

At the request of the Company, trading in the Shares of the Company on the Stock Exchange was halted with effect from 9:53 a.m. on 23 October 2018. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 23 May 2019, Thursday.

This announcement is made by the board of directors (the “**Board**”) of Siberian Mining Group Company Limited (the “**Company**”) (the Company, together with its subsidiaries, the “**Group**”) to provide the shareholders of the Company (the “**Shareholders**”) and potential investors with an update on matters pertaining to the suspension and resumption of trading in shares in the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

#### **BACKGROUND**

This announcement should be read in conjunction with the announcements issued by the Company during the period from 21 October 2018 up to the date of this announcement (the “**Relevant Period**”).

*\* For identification purpose only*

- On 22 October 2018, the Company announced that on 19 October 2018:
  - The Company and holders of not less than 75% in aggregate principal amount of the Third Convertible Note (as defined in the announcement of the Company dated 3 April 2013 and published on 4 April 2013) (the “**Original Notes**”) had amended the note instrument constituting the Original Notes (the “**Original Note Instrument**”), by entering into an Amended and Restated Note Instrument Constituting Convertible Notes in the Principal Amount of US\$400,390,000 (the “**Amended Note Instrument**”). The Amended Note Instrument was intended to amend and replace the Original Note Instrument, and to replace the Original Notes with the convertible notes reconstituted thereunder (the “**Amended Notes**”).
  - Immediately thereafter, the Company had exercised its right under the Amended Note Instrument to require conversion of US\$340,390,000 in principal amount of the Amended Notes, resulting in the allotment of 55,313,376 Conversion Shares and leaving US\$60,000,000 in principal amount of the Amended Notes outstanding.
- On 22 October 2018, the Company announced that it had allotted the Conversion Shares.
- On 23 October 2018, the Company requested a halt in the trading of its shares.
- The Stock Exchange rejected the Company’s application for approval of the amendments intended by the Amended Note Instrument (the “**Amendments**”) and for approval for listing of the conversion shares (the “**Conversion Shares**”) issuable upon the partial conversion of the Amended Notes that followed (the “**Conversion**”) because they did not comply with the following Listing Rules:
  - Rule 28.05 and Guidance Letter GL80-15 which required the Company to apply for and obtain the Stock Exchange’s prior approval for the Amendments; and
  - Rules 8.20 and 13.26(1) which required the Company to apply for and obtain the Stock Exchange’s prior approval for the issuance of the Conversion Shares.
- In addition, the Stock Exchange has pointed out that the existence of ongoing litigation amongst the Company, Gold Ocean, China Panda Limited and Daily Loyal Limited in relation to the convertible notes raised issues as to the legality and validity of, among other things, the Amendments and the Conversion.
- As a result, trading in the Company’s shares has remained suspended since 23 October 2018.

## RECTIFICATION

The Company announced on 16 May 2019 that:

- It was of the view that it would be in the best interests of the shareholders to reverse the Amendments and Conversion, without prejudice to its position in the ongoing litigation described in that announcement, or to its right to amend the terms and conditions of the convertible notes and effect similar conversions in the future (in each case, subject to the Stock Exchange's prior approval).
- On 16 May 2019 the board of the Company approved a cancellation agreement reversing the Amendments and Conversion and voiding and annulling the same *ab initio*.
- On the same day after trading hours, the Company entered into the cancellation agreement with the other parties to the Amendments, resulting in the cancellation and voiding of the Amended Note Instrument.

Disputes between the Company and Daily Loyal Limited over the validity of an agreement made in 2016 to extend the maturity date of the Original Notes, as well as the ownership of part of the Original Notes transferred from Daily Loyal Limited to Gold Ocean and China Panda Limited (the “**Transfers**”), remain the subject of ongoing litigation under High Court actions HCA 1071/2017 and HCA 2501/2017, as detailed in the Company's prior announcements.

In the meantime, the Transfers remain registered on the Company's register of noteholders, and have not been reversed or cancelled.

The Company announced after trading hours on 20 May 2019 that following completion of the relevant procedural matters in consequence of the cancellation agreement, the Conversion Shares had been annulled and voided.

## IMPACT OF THE CANCELLATION

Following cancellation and annulment of the Amendments, the Conversion and the Conversion Shares (the “**Cancellation**”):

- Following the Cancellation, the Original Notes and the Original Note Instrument continue to be valid and effective in accordance with their terms.
- As the Amendments have been reversed, the maturity date of the Original Notes remains as 3 April 2018, subject to the outcome of the ongoing High Court action HCA 1071/2017. Also, as detailed above, ownership of the Original Notes is the subject of ongoing litigation under High Court action HCA 2501/2017. Pending resolution of the disputes over the maturity date and ownership, the Company is of the view that it would not be possible for any of the noteholders successfully to demand repayment of any of the Original Notes.

- Nonetheless, in an abundance of caution, the Company will endeavour to obtain a waiver of repayment of the Original Notes from each of China Panda Limited and Gold Ocean, who represent on the Company's register of noteholders no less than 75% in principal amount of the Original Notes, for a period covering at least the next two years. Accordingly, the Company considers that the Cancellation will not have any material adverse effect on the financial condition or operations of the Company.

## **RESUMPTION OF TRADING**

The Company has satisfied the conditions for resumption in trading of its shares.

At the request of the Company, trading in the Shares of the Company on the Stock Exchange was halted with effect from 9:53 a.m. on 23 October 2018. Application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 23 May 2019, Thursday.

## **APPRECIATION**

The Board would like to express its appreciation for the perseverance, resilience and unswerving efforts of our staff, and its gratitude for the patience, understanding and continued support of our Shareholders, investors and business partners during the preceding adverse period of time. The Board will continue to give its best efforts to enhance the core strengths of the Group for corporate development to sustain and thrive with the best interests of the Company and our Shareholders in mind at all times.

By Order of the Board  
**Siberian Mining Group Company Limited**  
**Jo Sang Hee**  
*Chairman*

Hong Kong, 22 May 2019

*As at the date of this announcement, the board of the Company consists of Mr. Jo Sang Hee as executive director, and Ms. Chen Dai, Mr. Kwok Kim Hung Eddie and Mr. Lee Sungwoo as independent non-executive directors.*