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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)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of North Mining Shares Company Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2025, together with the comparative figures for the corresponding period in 2024:

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
<b>Revenue</b>	4	<b>925,762</b>	621,311
Cost of sales		<u>(623,727)</u>	<u>(613,189)</u>
<b>Gross profit</b>		<b>302,035</b>	8,122
Other income	5	<b>652</b>	53
Research and development costs		<b>(13,354)</b>	(17,181)
General and administrative expenses		<b>(91,682)</b>	(56,973)
Provision for impairment losses under expected credit loss (“ECL”), net		–	583
Other gains and losses	7	<u><b>(59,931)</b></u>	<u>(2,872)</u>
<b>Profit/(Loss) from operations</b>		<b>137,720</b>	(68,268)
Finance costs	8	<u><b>(5,384)</b></u>	<u>(31,522)</u>
<b>Profit/(Loss) before taxation</b>	9	<b>132,336</b>	(99,790)
Taxation	10	<u><b>(26,488)</b></u>	<u>–</u>
<b>Profit/(Loss) for the period</b>		<u><b>105,848</b></u>	<u>(99,790)</u>

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
<i>Notes</i>		<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Attributable to:</b>			
	Owners of the Company	<b>70,137</b>	(58,543)
	Non-controlling interests	<b>35,711</b>	(41,247)
		<hr/>	<hr/>
	<b>Profit/(Loss) for the period</b>	<b>105,848</b>	(99,790)
		<hr/>	<hr/>
<b>Other comprehensive (expense)/income (Net of tax effect):</b>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
	Exchange differences arising from translation of foreign subsidiaries	<b>(14,103)</b>	7,432
		<hr/>	<hr/>
	<b>Other comprehensive (expense)/income for the period</b>	<b>(14,103)</b>	7,432
		<hr/>	<hr/>
	<b>Total comprehensive income/(expense) for the period</b>	<b>91,745</b>	(92,358)
		<hr/>	<hr/>
<b>Attributable to:</b>			
	Owners of the Company	<b>71,926</b>	(63,979)
	Non-controlling interests	<b>19,819</b>	(28,379)
		<hr/>	<hr/>
		<b>91,745</b>	(92,358)
		<hr/>	<hr/>
<b>Earning/(Loss) per share</b>			
	– Basic and diluted, HK cents	<b>0.56</b>	(0.47)
		<hr/>	<hr/>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, plant and equipment		<b>463,624</b>	474,365
Mining rights	13	<b>484,451</b>	526,860
Prepayment		<b>35,862</b>	43,663
Right-of-use assets		<b>26,981</b>	29,049
		<b>1,010,918</b>	1,073,937
<b>Current assets</b>			
Inventories		<b>273,304</b>	317,949
Trade and bill receivables	14	<b>64,712</b>	45,145
Prepayments, deposits and other receivables		<b>157,271</b>	85,987
Cash and cash equivalents		<b>54,811</b>	15,247
		<b>550,098</b>	464,328
<b>TOTAL ASSETS</b>		<b>1,561,016</b>	1,538,265
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>250,233</b>	250,233
Reserves		<b>(135,020)</b>	(206,946)
Equity attributable to owners of the Company		<b>115,213</b>	43,287
Non-controlling interests		<b>(594,336)</b>	(614,155)
<b>TOTAL EQUITY</b>		<b>(479,123)</b>	(570,868)

		<b>30 June 2025</b>	31 December 2024
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>LIABILITIES</b>			
<b>Non-Current liabilities</b>			
Bank loans and other borrowings		<b>32,174</b>	17,652
Lease liabilities		<b>6,667</b>	6,633
Deferred tax liabilities		<b>121,113</b>	131,715
		<b>159,954</b>	156,000
<b>Current liabilities</b>			
Trade and bill payables	15	<b>309,000</b>	264,698
Other payables and accruals		<b>712,656</b>	720,692
Contract liabilities		<b>470,122</b>	558,381
Bank loans and other borrowings		<b>388,098</b>	409,079
Lease liabilities		<b>309</b>	283
		<b>1,880,185</b>	1,953,133
<b>TOTAL LIABILITIES</b>		<b>2,040,139</b>	2,109,133
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,561,016</b>	1,538,265
<b>NET CURRENT LIABILITIES</b>		<b>1,330,087</b>	1,488,805
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(319,169)</b>	(414,868)
<b>NET LIABILITIES</b>		<b>479,123</b>	570,868

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

The Company was incorporated in Bermuda on 10 April 1995 under the Companies Act 1981 of Bermuda (as amended) as an exempted company with limited liability. The issued shares of the Company are listed on the Main Board of the Stock Exchange. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is located at Room 2004–05, 20/F, Kwan Chart Tower, 6 Tonnochy Road, Wan Chai, Hong Kong.

The principal activities of the Group are (i) investment holdings; (ii) mining operations — exploitation and exploration of mineral resources; (iii) chemical trading operations; and (iv) sales of aluminium plates.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars, which is the same functional currency of the Company.

## 2. BASIS OF PREPARATION

### 2.1 Basis of preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). In addition, the unaudited condensed consolidated interim financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2024, which were prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

The unaudited condensed consolidated interim financial statements has been prepared in accordance with the same accounting policies adopted in the Group’s annual consolidated financial statements for the year ended 31 December 2024.

## 2.2 Going concern

The Group incurred a net profit of approximately HK\$105,848,000 during the six months ended 30 June 2025 and, as of that date, the Group had net current liabilities and net liabilities of approximately HK\$1,330,087,000 and approximately HK\$479,123,000 respectively. As at 30 June 2025, the Group had bank loans and other borrowings of approximately HK\$420,272,000, of which approximately HK\$388,098,000 and approximately HK\$32,174,000 were recorded under current liabilities and non-current liabilities respectively. Bank loans and other borrowings comprised (1) secured borrowings totaling approximately HK\$356,758,000; and (2) unsecured borrowings totaling approximately HK\$63,514,000. As at 30 June 2025, the Group had bank balances totaling approximately HK\$54,811,000. Further, the continuity of the Group's operation is dependent upon the Group was able to solicit new funding for their operation. These conditions indicate the existence of material uncertainties which may cast significant doubt upon the Group's ability to continue as a going concern.

In preparing the unaudited condensed consolidated financial statements, the directors of the Company have careful consideration for the liquidity of the Group in light of the conditions described above.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding the aforesaid conditions, these unaudited condensed consolidated financial statements have been prepared on a going concern basis on the assumption that the Group will be able to operate as a going concern for the foreseeable future. In the opinion of the Directors, the Group can meet its financial obligations as and when they fall due within the next year from the date of the unaudited condensed consolidated financial statements, after taking into consideration of the following measures and arrangements made subsequent to the reporting date:

- (i) The Directors will strengthen to implement measures aiming of improving the working capital and cash flow of the Group including closely monitoring the general administrative expenses and operating costs;
- (ii) The Directors will continue to source additional funding to support the Group's operation and settlement of loans when they fall due; and
- (iii) The Group's mining operation has been resumed in October 2024 after obtaining all the necessary approval certificate from the PRC's authorities. The Directors are in the opinion that the Group's mining operation will generate positive cash flow and that will improve the overall liquidity position of the Group.

On the basis of the foregoing, and after assessing the Group's current and forecasted cash positions, the Directors are satisfied that the Group will be able to meet in full the Group's financial obligations as they fall due for the period of twelve months from the date of the unaudited condensed consolidated financial statements. Accordingly, the unaudited condensed consolidated financial statements of the Group have been prepared on the going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these potential adjustments have not been reflected in these unaudited condensed consolidated financial statements.

### 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2024, except for the adoption of the following revised HKFRS Accounting Standard for the first time for the current period's financial information.

HKAS 21 (Amendments)

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standard in the current interim period has had no material impact on the Group's performance and financial position for the current and prior periods and/or on the disclosures set out in the unaudited condensed consolidated interim financial statements.

### 4. REVENUE

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Sales of molybdenum concentrate	514,673	—
Sales of chemical products	410,935	621,311
Sales of aluminium products	154	—
	<u>925,762</u>	<u>621,311</u>



## 5. OTHER INCOME

	Six months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Bank interest income	24	34
Government grant	323	–
Sales of by-products	305	–
Sundry income	–	19
	<u>652</u>	<u>53</u>

## 6. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segment for the period under review:

	For the six months ended 30 June 2025 (Unaudited)			Total HK\$'000
	Mining exploitation HK\$'000	Trading of chemical products HK\$'000	Trading of aluminium products HK\$'000	
Segment revenue	<u>514,673</u>	<u>410,935</u>	<u>154</u>	<u>925,762</u>
Segment results	<u>172,418</u>	<u>(27,617)</u>	<u>(805)</u>	143,996
Unallocated income				24
Finance cost				(5,384)
Other gains and losses				(2,513)
Unallocated expenses				<u>(3,787)</u>
Profit before taxation				132,336
Taxation				<u>(26,488)</u>
Profit for the period				<u>105,848</u>

Other segment information:

	Mining exploitation <i>HK\$'000</i>	Trading of chemical products <i>HK\$'000</i>	Trading of aluminium products <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Capital expenditures	28,880	304	75	–	29,259
Depreciation and amortisation	<u>92,443</u>	<u>17,795</u>	<u>1</u>	<u>2,513</u>	<u>112,752</u>

For the six months ended 30 June 2024

(Unaudited)

	Mining exploitation <i>HK\$'000</i>	Trading of chemical products <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>–</u>	<u>621,311</u>	<u>621,311</u>
Segment results	<u>(29,308)</u>	<u>(32,595)</u>	(61,903)
Unallocated income			34
Finance cost			(31,522)
Other gains and losses			(2,529)
Provision of impairment losses under expected credit loss (“ECL”), net			583
Unallocated expenses			<u>(4,453)</u>
Loss before taxation			(99,790)
Taxation			<u>–</u>
Loss for the period			<u>(99,790)</u>

Other segment information:

	Mining exploitation <i>HK\$'000</i>	Trading of chemical products <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Capital expenditures	–	2,289	–	2,289
Depreciation and amortisation	<u>25,657</u>	<u>17,792</u>	<u>2,529</u>	<u>45,978</u>

The following is an analysis of the Group's segment assets, liabilities and other segment information:

As at 30 June 2025 (Unaudited)					
	Mining exploitation <i>HK\$'000</i>	Trading of chemical products <i>HK\$'000</i>	Trading of aluminium products <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	<u>1,238,145</u>	<u>290,592</u>	<u>8,286</u>	<u>23,993</u>	<u>1,561,016</u>
Segment liabilities	<u>873,860</u>	<u>1,119,665</u>	<u>7,928</u>	<u>38,686</u>	<u>2,040,139</u>
As at 31 December 2024 (Audited)					
	Mining exploitation <i>HK\$'000</i>	Trading of chemical products <i>HK\$'000</i>	Trading of aluminium products <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	<u>1,272,711</u>	<u>249,451</u>	<u>2,405</u>	<u>13,698</u>	<u>1,538,265</u>
Segment liabilities	<u>999,018</u>	<u>1,068,242</u>	<u>1,594</u>	<u>40,279</u>	<u>2,109,133</u>

## 7. OTHER GAINS AND LOSSES

Six months ended 30 June		
	2025 <i>HK\$'000</i> (Unaudited)	2024 <i>HK\$'000</i> (Unaudited)
Amortisation of right-of-use assets	(2,869)	(2,872)
Amortisation of mining right	(56,847)	–
Loss on disposal of property, plant and equipment	(215)	–
	<u>(59,931)</u>	<u>(2,872)</u>

## 8. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank loans and other borrowings wholly repayable within five years	4,989	31,091
Interest expenses for lease liabilities	395	431
	<u>5,384</u>	<u>31,522</u>

## 9. PROFIT/LOSS BEFORE TAXATION

The Group's profit/loss before taxation is arrived at after charges:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	53,036	43,106
Amortisation of right-of-use assets*	2,869	2,872
Amortisation of mining right*	56,847	–
Director's emoluments	329	1,229
Loss on disposal of property, plant and equipment*	215	–
Staff costs		
– Wages and salaries	27,629	18,103
– Retirement benefits contributions	3,735	2,325
	<u>3,735</u>	<u>2,325</u>

\* Included in other gains and losses

## 10. TAXATION

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Deferred tax	14,212	–
Current tax:		
People's Republic of China ("PRC") corporate income tax	(40,700)	–
	<u>(26,488)</u>	<u>–</u>

- (i) The provision for Hong Kong Profits Tax is calculated at 16.5% on assessable profits for the period. No provision for Hong Kong Profits Tax has been made in the interim financial statements as at Group's operations in Hong Kong incurred a tax loss for the period (six months ended 30 June 2024: Nil).
- (ii) PRC corporate income tax charge represents the PRC Enterprise Income Tax paid or payable during the period. Enterprise Income Tax in the PRC has been provided at the prevailing rate.

## **11. DIVIDEND**

The Board does not recommend the payment of interim dividend and/or a final dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## **12. EARNING/LOSS PER SHARE**

### **(a) Basic earning/loss per share**

The calculation of the basic earning per share is based on the profit attributable to owners of the Company of approximately HK\$70,137,000 for six months ended 30 June 2025 (six months ended 30 June 2024: loss of approximately HK\$58,543,000) and the weighted average number of 12,511,640,397 shares in issue during the period (six months ended 30 June 2024: 12,511,640,397).

### **(b) Diluted earning per share**

No diluted earning per share is presented as there were no potential ordinary shares in issue for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## **13. MINING RIGHTS**

As at 30 June 2025, the Group has one mining exploitation operation in respect of a molybdenum mine.

The molybdenum mine located at Xi Ban Cha Gou, Huanglongpu Village, Shimen Town, Luonan County, Shaanxi Province, the PRC.

#### 14. TRADE AND BILLS RECEIVABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Trade and bills receivables	67,254	27,685
Less: Allowance for credit losses	(2,542)	(2,540)
	<u>64,712</u>	<u>45,145</u>

Trade and bills receivables with the following aging analysis presented based on dates of delivery goods as at the end of reporting period:

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
0–30 days	41,865	16,760
31–60 days	11,860	12,477
61–90 days	6,445	9,039
91–180 days	–	363
Over 180 days but within one year	4,542	6,506
	<u>64,712</u>	<u>45,145</u>

For the Group's mining operation, sales of molybdenum concentrates are largely on cash basis with no credit terms being granted to customers, except for sizable customers with good credit history, the Group will allow a credit term not more than 30 days. For the Group's chemical operation, the Group allow a credit term of 30 days to 60 days to its customers.

#### 15. TRADE AND BILLS PAYABLES

	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
0–30 days	90,544	89,751
31–60 days	87,958	52,440
61–90 days	17,766	15,569
91–180 days	3,316	621
Over 180 days but within one year	109,416	106,317
	<u>309,000</u>	<u>264,698</u>

The aged analysis of trade and bill payables presented based on invoice date at the end of the reporting period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERALL FINANCIAL PERFORMANCE

For the six months ended 30 June 2025, the Group recorded a revenue of approximately HK\$925,762,000 (six months ended 30 June 2024: approximately HK\$621,311,000), representing an increase of approximately 49% over the same period in 2024. That was due to the increase in product sales of molybdenum concentrate.

During the period under review, the profit recorded by the Group was approximately HK\$105,848,000 (six months ended 30 June 2024: loss of approximately HK\$99,790,000), representing turning loss into profit compare to the same period in 2024, such profit for the period was mainly attributable to the full recovery of the Group's mining operations during the period, which resulted in a significant improvement in both production capacity and operational efficiency. The resumption of stable mining operations has a substantial positive impact on the Group's overall performance..

### BUSINESS REVIEW

The principal profit generation activities of the Group are: (i) mining operations — exploitation and exploration of mineral resources; and (ii) chemical trading operations — manufacturing and sale of chemical products; and (iii) aluminium metal trading operations — sale of aluminium plates. An analysis of each of these business segments is presented below:

#### Mining Operations — Exploitation and Exploration of Mineral Resources

The Group's mining operation mainly includes the exploitation and exploration of molybdenum concentrate in the PRC. Our molybdenum concentrate was produced by the molybdenum mine operated by Shaanxi Province Luo Nan Xian Jiu Long Kuang Ye Company Limited (“**Jiu Long Kuang Ye**”), a non-wholly owned subsidiary of the Group. The grading of molybdenum concentrate produced by our molybdenum mine was approximately 45%–50%.

During the period under review, the volume of molybdenum concentrate sold was about 3,487 tonnes (six months ended 30 June 2024: Nil), whereas the grade of molybdenum concentrate was approximately 45%-50%. The average selling price of molybdenum concentrate was approximately HK\$128,380 per tonne. During the period under review, the mining operation contributed a revenue of approximately HK\$514,673,000 to the Group, of which approximately HK\$447,663,000 was contributed by sales of molybdenum concentrate and approximately HK\$67,010,000 was contributed by sales of sulfuric acid and iron concentrate. Gross profit was approximately HK\$292,156,000 and the gross profit margin was 56.77%. During the period, the Group recognised an amortisation of mining rights of approximately HK\$56,847,000.

## **Chemical trading operations**

The Group's chemical trading operations mainly includes manufacturing and sale of chemical products in the PRC. Our chemical products were produced by Anhui Tongxi New Material Technology Company Limited, a non-wholly owned subsidiary of the Company. For the six months ended 30 June 2025, revenue generated from this segment to the Group was approximately HK\$410,935,000 (six months ended 30 June 2024: approximately HK\$621,311,000) and the segment loss was approximately HK\$27,617,000 (six months ended 30 June 2024: approximately HK\$32,595,000).

## **Aluminum metal trading operations**

The overall economic landscape of the PRC's aluminum metal trading industry is very competitive, the Group faced pressure on source of customers and suppliers and the market share of business. For the six months ended 30 June 2025, the Group revenue generated from aluminum metal trading operation was approximately HK\$154,000 (six months ended 30 June 2024: Nil). The Group will continue to expand aluminum metal trading operation under limited resources and pressure in order to strive for position in the markets.

## **EVENT AFTER REPORTING PERIOD**

Reference is made to the announcements of the Company dated 25 July 2025, 6 August 2025 and 18 August 2025 in relation to the subscriptions of new shares under general mandate.

On 25 July 2025, the Company entered into the six separate subscription agreements (the “**Subscription Agreements**”) with six subscribers, pursuant to which the Company has conditionally agreed to issue, and the subscribers have conditionally agreed to subscribe for, the subscription shares comprising an aggregate of 2,490,500,000 new Shares at the subscription price of HK\$0.03 per subscription share.

On 18 August 2025, the Company announced that all the conditions precedent set out in the Subscription Agreements had been fulfilled and the completion of the subscriptions took place on 18 August 2025. The net proceeds from the subscriptions, after deducting professional fees and other related expenses, amounted to approximately HK\$74,700,000 (at approximately of HK\$0.03 per subscription share), which is intended by the Company to utilize for (i) the settlement of bank loans and other borrowings under the current liabilities of the Group; and (ii) general working capital of the Group.



## PROSPECTS

As we enter second half of 2025, our Group is striving to build resilience in a time of uncertainty.

The economic outlook remains uncertain in second half of 2025. Global economies will continue to face multiple macroeconomic headwinds, including geopolitical uncertainties, inflation and tightened financial conditions. Many industries are still plagued by supply chain issues that emerged in recent years. Ongoing inflation and subdued economic growth are expected. In order to combat this, our Group aims to improve our resilience in through strategic management, development and expansion of our two core businesses as well as building protective measures into supply chains to deal with shortages and rising business costs.

For mining operation, the Group has successful renewed the mining licence of molybdenum mine and will further invest in and upgrade the mining operation machine system in production to improve the production efficiency, safety and environmental level. For chemical operation, through research and development and additional production facilities, we continue to improve our product quality and increase our product competitiveness.

The Group will continue to be receptive to the market's views candidly and humbly. It will endeavor to maintain effective communication with stakeholders. As a way to gauge capital markets' perception of the Group, we will continue to improve the quality of investor relations management and will ponder on investors' concerns and advices in order to further enhance the Group's operating management and corporate governance. The investor relations department will maintain professionalism at its work so that capital markets will be able to gain a thorough understanding of the Group's business. This will help unlock the potential investment value and contribute to the long term and healthy development of the Group.

## **Molybdenum market**

The operation environment of China's steel industry is the key factor that affects the development of the country's molybdenum market. As required by China's environmental protection policy and supply-side reform policy, steel factories have no alternative but to transform and shift to produce high quality special steel. Meanwhile, the normalization of fall/winter production restriction will further accelerate the enhancement and reconstruction of the steel industry, there are still ample room to increase the production of stainless steel and high strength steel. All the factors stated above will further drive up the demand for molybdenum, and it was expected that the demand for molybdenum in China will keep increasing. It was expected that the molybdenum market would continue to improve in the second half of 2025.

## **Chemical market**

China has stringent regulatory requirements for safety and environmental protection, which have inevitably created short-term operation pressure on the chemicals manufacturing industry. However, corporate with competitive advantage on environmental protection will eventually capture the opportunities emerged in an operation environment with sound regulation. The Group will continue to invest on safety and environmental protection, impose stringent control over its costs, enhance its production efficiency, and will formulate effective marketing strategy to meet the challenges of increasing competition in the market.

The Group will make every endeavor to keep abreast of the challenging market conditions, proactively identify investment opportunities and expand its mineral resources in order to broaden the revenue base of the Group, enhance its future financial performance and profitability, and fine tune its business strategies when the Directors of the Company think appropriate. Moreover, the Group is seeking for further operating efficiency across the business. We are confident in the future and committed to continuous growth of the Company.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and proceeds from suitable source of funding. During the period under review, the Group recorded a net cash inflow of approximately HK\$38,391,000 (six months ended 30 June 2024: cash inflow of approximately HK\$13,773,000). The cash inflow was mainly due to the net cash inflow from operating activities. The current ratio as at 30 June 2025 was approximately 0.29 as contrasted by 0.24 as at 31 December 2024. The debt equity ratio as at 30 June 2025 was deficit approximately 17.71 as contrasted by 48.72 as at 31 December 2024. It is confident that the Group would have adequate financial resources to satisfy full repayment of the current liabilities.

## CONTINGENT LIABILITIES

As at 30 June 2025, the Group had no significant contingent liabilities (31 December 2024: Nil).

## CAPITAL COMMITMENT

As at 30 June 2025, the Group did not have any capital commitment (31 December 2024: Nil).

## INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend and/or a final dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## CAPITAL STRUCTURE AND TREASURY POLICIES

### Capital structure

The capital structure of the Group as at 30 June 2025 and 31 December 2024 has been summarised below:

	<b>30 June 2025 HK\$'000 (Unaudited)</b>	<b>31 December 2024 HK\$'000 (Audited)</b>
Total current assets	<b>550,098</b>	464,328
Total current liabilities	<b>1,880,185</b>	1,953,133
Shareholders' equity	<b><u>115,213</u></b>	<b><u>43,287</u></b>

## **Treasury policies**

During the six months ended 30 June 2025, the major currencies on which principal business activities of the Group used were denominated in Hong Kong dollars and Renminbi. The Board does not consider the Group is significantly exposed to any foreign currency exchange risks. It is the Group's treasury policy to manage its foreign currency exposure whenever such financial impact is material to the Group. For the six months ended 30 June 2025, the Group did not employ any financial instrument for hedging purpose and was not engage in foreign currency speculative activities.

## **BORROWINGS AND BANKING FACILITIES**

As at 30 June 2025, the Group had bank loans and other borrowings in current liabilities and non-current liabilities amounted to approximately HK\$420,272,000 (31 December 2024: HK\$426,731,000).

## **HUMAN RESOURCES AND REMUNERATION POLICY**

As at 30 June 2025, the Group employed 613 full time employees (31 December 2024: 678 employees). Employees' remuneration packages are generally structured by reference to market norms, individual qualifications, relevant experience and performance.

## **CORPORATE GOVERNANCE CODE**

The Board believes that good corporate governance is crucial to improve the efficiency and performance of the Group and to safeguard the interests of the shareholders.

During the six months ended 30 June 2025, the Company had applied the principles of the Corporate Governance Code (the “Code”) as set out in Appendix 14 of the Listing Rules and complied with all the applicable code provisions of the Code, except the following code provisions:

1. Under the code provision C.2.1 of the Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual.

Mr. Yang Ying Min, being the chairman and chief executive officer of the Company, has in-depth knowledge and considerable experience in the Group's business, and is responsible for the overall strategic planning and general management of the Group. It was considered that vesting the roles of chairman and chief executive officer in the same person will lead to consistent leadership of the Group and enable the Group to make and implement decisions promptly, thus achieving the Group's objectives efficiently and effectively in response to the changing environment.

The Company has formulated a board diversity policy (the “**Policy**”) for achieving diversity on the Board of the Company. The Policy enables the sustainable and balanced development of the Company’s strategic objectives. The Board reviewed the Policy annually to ensure the effectiveness of the Policy.

The Company considers that sufficient measures had been taken to ensure that the Company complied with the Code for the six months ended 30 June 2025.

The Company will periodically review and improve its corporate governance practices with reference to the latest development of relevant corporate governance requirements.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its own code of conduct governing the Directors’ transactions of listed securities of the Company. Following a specific enquiry made by the Company with each of the Directors, all Directors confirmed that they had complied with the standards as set out in the Model Code for the six months ended 30 June 2025.

## **AUDIT COMMITTEE**

The audit committee comprises three independent non-executive directors, namely Mr. Shek Man Ho, Mr. Shen Ming Jie and Mr. Feng Jia Wei. The audit committee shall review the interim and annual financial statement of the Group before their submission to the Board of the Company for approval, and review the effectiveness of the financial reporting system, risk management and internal control system of the Group. The audit committee has reviewed the Group’s interim results for the six months ended 30 June 2025.

## **PUBLICATION OF INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE**

The result announcement is published on the website of the Stock Exchange at [www.hkex.com.hk](http://www.hkex.com.hk) and the Company's website at [www.northmining.com.hk](http://www.northmining.com.hk). The Interim Report containing all the information required by the Listing Rules will be despatched to its shareholders and published on the above websites in due course.

For and on behalf of  
**North Mining Shares Company Limited**  
**Yang Ying Min**  
*Chairman*

Hong Kong, 27 August 2025

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