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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)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY

THE SALE AND PURCHASE AGREEMENT

On 4 December 2025 (after trading hours), the Company (as the vendor) and the Purchaser (as the purchaser) entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire, the Sale Shares.

Upon Completion, the Target Company will cease to be a subsidiary of the Group and its financial results, assets and liabilities will no longer be consolidated into the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Proposed Disposal exceeds 75%, the Proposed Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

SGM

The SGM will be convened for the purposes of considering, and if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, no Shareholder has a material interest in the Sale and Purchase Agreement and the transactions contemplating thereunder and hence, no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the SGM.

GENERAL

A circular containing, among other things, (i) further information on the Proposed Disposal; (ii) financial information of the Disposal Group; (iii) pro-forma financial information of the Remaining Group; (iv) a notice of the SGM; and (v) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 12 January 2026, in order to allow sufficient time for the Company to prepare the necessary information to be included therein.

Completion is subject to fulfilment of various conditions precedent and therefore, may or may not take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

On 4 December 2025 (after trading hours), the Company (as the vendor) and the Purchaser (as the purchaser) entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire, the Sale Shares.

THE SALE AND PURCHASE AGREEMENT

Details of the Sale and Purchase Agreement are set out below:

Date 4 December 2025 (after trading hours)

Parties (1) The Company, as the vendor; and

(2) Mr. Li Xiaolong* (李小龍), as the purchaser.

Assets to be disposed of

The Sale Shares, representing the entire issued share capital of the Target Company.

Consideration

Pursuant to the Sale and Purchase Agreement, the Consideration for the Sale Shares shall be HK$1 million which shall be settled by the Purchaser in cash at Completion.

The Consideration was determined after arm's length negotiations between the Company and the Purchaser taking into account (i) the unaudited net liabilities of the Disposal Group of approximately HK$1,147 million as at 30 September 2025; (ii) the Waiver of the Current Accounts Amount of approximately HK$347 million, details of which are discussed in the section headed "Waiver of the Current Accounts Amount" below; and (iii) the consecutive loss-making performance and the heavily indebted financial position of the Disposal Group.

The Consideration of HK$1 million represents a nominal amount arrived at after arm's length negotiations between the Company and the Purchaser, having taken into account (i) the Disposal Group had unaudited net liabilities of approximately HK$1,147 million as at 30 September 2025, which would be reduced to a net liabilities of approximately HK$800 million on a pro forma basis after giving effect to the Waiver of the Current Accounts Amount of approximately HK$347 million; (ii) the Disposal Group has been continuously loss-making and in a heavily indebted financial position; and (iii) the estimated expenses (including professional fees) of the Proposed Disposal of approximately HK$0.65 million. In light of the substantial net liabilities value even after the Waiver, together with the aforesaid relevant expenses to be borne by the Company, the Directors consider that a nominal Consideration of HK$1 million is fair and reasonable, and that the Proposed Disposal offers the Group a clean exit from a loss-making and heavily indebted business segment.

Conditions precedent

The Completion shall be conditional upon the followings:

(i) the passing of ordinary resolution(s) by the Shareholders at a special general meeting of the Company to be convened and held to approve the Sale and Purchase Agreement and the transactions contemplated thereunder;

(ii) the Company having obtained all necessary consents, authorisations, permits and approvals (if any) in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to the sale of the Sale Shares), and the same remain in full force and effect and have not been revoked; and

(iii) the Purchaser having obtained all necessary consents, authorisations, permits and approvals (if any) in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to the sale of the Sale Shares), and the same remain in full force and effect and have not been revoked.

None of the above conditions is waivable.

If the conditions are not fulfilled on or before Long Stop Date (or such other date as the parties may agree in writing), the Sale and Purchase Agreement shall terminate and neither of the parties will have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of the Sale and Purchase Agreement.

As at the date of this announcement, none of the above conditions has been fulfilled.

Completion

Completion shall take place on the Completion Date, which shall be the third (3rd) Business Day after fulfilment of all the conditions precedent.

Waiver of the Current Accounts Amount

As at 30 September 2025, the Current Accounts Amount owed by the Disposal Group to the Remaining Group amounted to approximately HK$347 million. The Current Accounts Amount comprises interest-free, unsecured funding advanced by the Remaining Group to the Disposal Group throughout the past years, primarily to support its chemical trading operations.

Pursuant to the Sale and Purchase Agreement, the Current Accounts Amount shall be waived by the Remaining Group at Completion.

INFORMATION ON THE PARTIES

The Company and the Group

The Company is an investment holding company. The Group comprises the Disposal Group and the Remaining Group.

The Disposal Group is principally engaged in (i) chemical trading operations — manufacturing and sale of chemical products; and (ii) aluminum metal trading operations — sale of aluminum plates.

The Remaining Group is principally engaged in mining operations — exploitation and exploration of mineral resources (the "**Mining Business**").

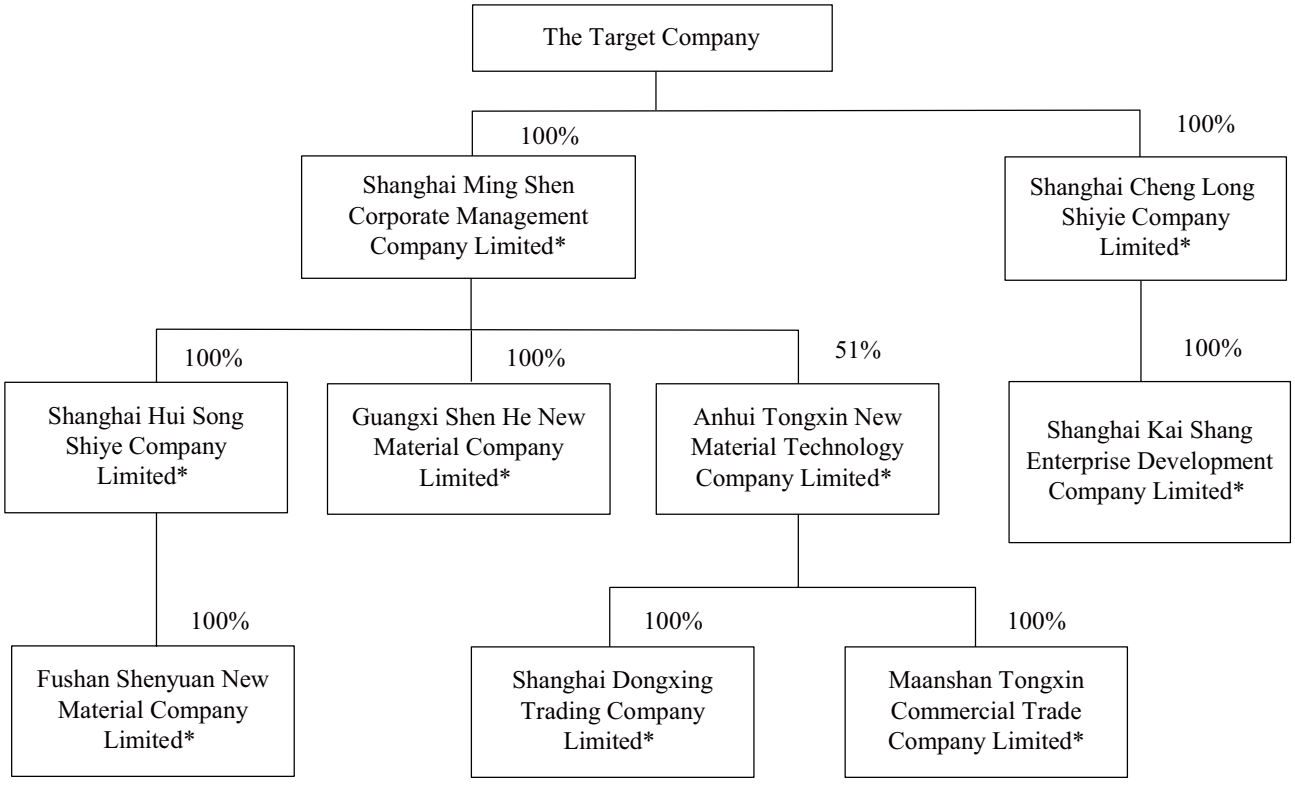
The Purchaser

The Purchaser is a PRC individual and a businessman experienced in real estate, investment properties and chemical-related industries.

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

INFORMATION OF THE DISPOSAL GROUP

Set out below is the shareholding structure of the Disposal Group:



The Target Company is an investment holding company established under the laws of the PRC with limited liability and a direct wholly-owned subsidiary of the Company.

Shanghai Cheng Long Shiyie Company Limited* (上海乘鼐實業有限公司) is an investment holding company established under the laws of the PRC with limited liability, and is wholly-owned by the Target Company.

Shanghai Kai Shang Enterprise Development Company Limited* (上海楷商企業發展有限公司) is an investment holding company established under the laws of the PRC with limited liability, and is wholly-owned by Shanghai Cheng Long Shiyie Company Limited*.

Shanghai Ming Shen Corporate Management Company Limited* (上海銘勝企業管理有限公司) is an investment holding company established under the laws of the PRC with limited liability, and is wholly-owned by the Target Company.

Shanghai Hui Song Shiye Company Limited* (上海匯頌寶實業有限公司) is an investment holding company established under the laws of the PRC with limited liability, and is wholly-owned by Shanghai Ming Shen Corporate Management Company Limited*.

Fushan Shenyuan New Material Company Limited* (佛山申源新材料有限公司) is a company established under the laws of the PRC with limited liability, and is wholly-owned by Shanghai Hui Song Shiye Company Limited*. It is the operating subsidiary engaged in the Group's aluminum metal trading operations.

Guangxi Shen He New Material Company Limited* (廣西申合新材料有限公司) is an investment holding company established under the laws of the PRC with limited liability, and is wholly-owned by Shanghai Ming Shen Corporate Management Company Limited*.

Anhui Tongxin New Material Technology Company Limited* (安徽同心新材料科技有限公司) ("**Anhui Tongxin**") is a company established under the laws of the PRC with limited liability, and is 51% owned by Shanghai Ming Shen Corporate Management Company Limited*. The remaining 49% is owned by Shanghai Misong Corporate Management Company Limited* (上海米松企業管理有限公司), a company which is 95% beneficially owned by Mr. Hua Zhihui* (華志輝). Accordingly, Shanghai Misong Corporate Management Company Limited* is a substantial shareholder of Anhui Tongxin, and therefore Shanghai Misong Corporate Management Company Limited* and Mr. Hua Zhihui* are both considered as connected persons at the subsidiary level of the Company under Chapter 14A of the Listing Rules.

Shanghai Dongxing Trading Company Limited* (上海垌榮貿易有限公司) is a company established under the laws of the PRC with limited liability, and is wholly-owned by Anhui Tongxin.

Maanshan Tongxin Commercial Trade Company Limited* (馬鞍山同芯商貿有限公司) is a company established under the laws of the PRC with limited liability, and is wholly-owned by Anhui Tongxin.

Anhui Tongxin, together with Shanghai Dongxing Trading Company Limited* and Maanshan Tongxin Commercial Trade Company Limited*, are the operating subsidiaries engaged in the Group's chemical trading operations.

Financial information of the Disposal Group

Set out below is the consolidated financial information of the Disposal Group as extracted from its unaudited consolidated management accounts prepared in accordance with the Hong Kong Financial Reporting Standards for the two financial years ended 31 December 2023 and 2024.

	For the year ended 31 December	
	2024	**2023**
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue	993,849	1,533,714
Net (loss)/profit before taxation	(241,942)	(145,344)*Note*
Net (loss)/profit after taxation	(241,942)	(145,344)*Note*

	As at 31 December	
	2024	**2023**
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Total assets	255,377	390,688
Total liabilities	1,298,471	1,224,102
Net assets/(liabilities)	(1,043,094)	(833,414)

Note: excluding other income of approximately HK$202 million recognised in 2023, which was non-operational in nature and arose from the capitalisation of a loan into equity pursuant to the scheme implemented by the Company that was completed on 29 September 2023.

As at 30 September 2025, the unaudited total assets, total liabilities and net liabilities of the Disposal Group amounted to approximately HK$365 million, HK$1,512 million and HK$1,147 million, respectively.

The Mining Business

Upon Completion, the Mining Business will become the sole principal business of the Remaining Group.

The Mining Business principally comprises exploitation, exploration, production and sales of molybdenum concentrate in the PRC. These operations have been conducted through the Company's subsidiary, namely Shaanxi Province Luo Nan Xian Jiulong Kuangye Company Limited ("**Jiulong Kuangye**"), for over a decade since December 2009.

Jiulong Kuangye holds the exploitation right of molybdenum mines located at Xi Ban Cha Gou, Huanglongpu Village, Shimen Town, Luonan County, Shaanxi Province, the PRC (中國陝西省洛南縣石門鎮黃龍鋪村西板岔溝). The mining license is valid until February 2034, and covers a total site area of approximately 1,345 km^2.

Jiulong Kuangye operates nine processing plants with a total designed daily processing capacity of approximately 10,000 tonnes of raw mineral ores. The raw mineral ores extracted by the Group at its molybdenum mines will then be processed at its processing plants into molybdenum concentrate. The Group's maximum annual production capacity of molybdenum concentrate is approximately 6,500 tonnes. The molybdenum concentrate will be sold to the customers after further processed by Jiulong Kuangye. For the six months ended 30 June 2025, the Group had produced approximately 3,396 tonnes of molybdenum concentrate. It is estimated that the Group's annual production of molybdenum concentrate will amount to approximately 6,000 tonnes for each of the years ending 31 December 2025, 2026 and 2027.

According to an independent technical report prepared in 2009, the molybdenum mines contained estimated ore resources of approximately 121 million tonnes, including approximately 178,404 tonnes of molybdenum concentrate. Up to 30 June 2025, the Group had produced approximately 45,338 tonnes of molybdenum concentrate, leaving an estimated remaining molybdenum concentrate of over 130,000 tonnes. The grading of molybdenum concentrate produced by the Group generally ranges from approximately 45% to 50%.

Molybdenum metal, being the primary product of the Mining Business, has a wide range of applications including the manufacture of aircraft parts, electrical contacts, industrial motors, filaments and as an alloying agent in steel manufacturing. The Group's molybdenum concentrate is further processed into ferromolybdenum by sub-contractor(s), and then sold at higher profit margin to its customers.

Customers of the Mining Business generally include corporations engaged in machining ferromolybdenum business, steel manufacturing business, etc., while the suppliers are mainly construction companies, electricity companies, processing and mining equipment companies for provision of construction services (e.g. processing plants, administrative buildings, canteens, dormitories, hostels, equipment maintenance workshops etc.), electricity, processing equipment to the operations of the Group's molybdenum mines.

The Mining Business is currently operating at full capacity, and employs approximately 330 staff, among which approximately 100 are managerial and/or professional and technical staff. The Group has the required level of workforce with sufficient knowledge, experience and calibre to carry out the Mining Business. As disclosed in the interim report of the Company for the six months ended 30 June 2025, the Mining Business recorded (i) segment revenue and profit of approximately HK$515 million and HK$172 million, respectively, which were primarily contributed by the sales of the molybdenum concentrate; and (ii) segment assets, liabilities and net assets of approximately HK$1,238 million, HK$874 million and HK$364 million, respectively.

Following Completion, the Remaining Group will continue to conduct and develop its existing principal Mining Business on a long-term basis, but will no longer engage in chemical trading operations. The Company has no current intention to introduce any material changes to the assets or operations of the Mining Business, nor downsize or dispose of the Mining Business or its material assets other than in the ordinary and usual course of business.

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

The Company has been evaluating the Group's current businesses strategies with a view to enhancing overall performance.

The financial performance of the Disposal Group is primarily attributed from the chemical trading operating results of Anhui Tongxin and its subsidiaries. The Group commenced its aluminum metal trading operations in the second half of 2024. This business segment has generated only minimal revenue since its commencement and does not hold any material assets. Each of the other members of the Disposal Group does not conduct any operations nor hold any material assets of the Group.

The Group's chemical trading operations mainly comprise manufacturing and sale of chemical products in the PRC, which are conducted by Anhui Tongxin. Despite continuous effort to improve its operation, the Group's chemical trading operations have recorded unsatisfactory financial performance, with consecutive net losses for the two years ended 31 December 2024 and for the six months ended 30 June 2025. At the same time, the Disposal Group recorded net liabilities of approximately HK$1,147 million as at 30 September 2025, exerting a substantial adverse impact on the Group's overall financial position.

The Company therefore has been identifying possible course of terminating or disposing the operation of Anhui Tongxin with the aim to improve the Group's overall financial performance.

The Directors consider that the Proposed Disposal represents a valuable opportunity for the Group to restructure its strategic business focus and redirect resources towards developing its principal Mining Business, which recorded a significant and satisfactory segment revenue of approximately HK$515 million and segment profit of approximately HK$172 million for the six months ended 30 June 2025.

Furthermore, upon Completion, the financial position of the Remaining Group is expected to improve substantially, transitioning from a net liability of approximately HK$479 million to a net asset position of approximately HK$322 million (these figures are (i) made reference to the Group's financial position as at 30 June 2025; (ii) the Expected Gain as discussed below; and (iii) presented for illustrative purposes only). This will place the Company on solid financial footing and allow the Company to focus on growing its principal businesses, as well as facilitate future fundraising opportunities for the Remaining Group in the event that the Company has any such needs arises and such plan emerges.

Having considered the above reasons and benefits, the Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL

Upon Completion, the Target Company will cease to be a subsidiary of the Group, and its financial results, assets and liabilities will no longer be consolidated into the consolidated financial statements of the Group. The Remaining Group will cease to engage in the business of the chemical trading operations. It is expected that subsequent to the Proposed Disposal, there will not be any further contribution from this segment.

The Group is expected to record a gain (before tax and expenses) of approximately HK$801 million from the Proposed Disposal, which is estimated with reference to (i) the Consideration of HK$1 million; (ii) the Waiver of the Current Accounts Amount of approximately HK$347 million; and (iii) the net liabilities of the Disposal Group of approximately HK$1,147 million as at 30 September 2025 (the "**Expected Gain**").

Shareholders should note that the actual financial effect on the Group from the Proposed Disposal depends on, among others, the financial position of the Disposal Group at Completion and is subject to final audit.

No material net proceeds are expected to arise from the Proposed Disposal after deducting the relevant expenses (including the professional fees) of approximately HK$0.65 million from the Consideration of HK$1 million.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Proposed Disposal exceeds 75%, the Proposed Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

SGM

The SGM will be convened for the purposes of considering, and if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, no Shareholder has a material interest in the Sale and Purchase Agreement and the transactions contemplating thereunder and hence, no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the SGM.

GENERAL

A circular containing, among other things, (i) further information on the Proposed Disposal; (ii) financial information of the Disposal Group; (iii) pro-forma financial information of the Remaining Group; (iv) a notice of the SGM; and (v) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 12 January 2026, in order to allow sufficient time for the Company to prepare the necessary information to be included therein.

Completion is subject to fulfilment of various conditions precedent and therefore, may or may not take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"associate(s)"	has the meaning as ascribed in the Listing Rules
"Board"	board of the Directors
"Business Day"	any day on which banks in Hong Kong are open for business, other than a Saturday or a Sunday or a public holiday; or a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
"Company"	North Mining Shares Company Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 433)
"Completion"	completion of the Proposed Disposal pursuant to the Sale and Purchase Agreement
"Completion Date"	the third (3rd) Business Day after the date of fulfilment of the conditions precedent under the Sale and Purchase Agreement (or such other date as the parties to the Sale and Purchase Agreement may agree in writing)
"connected person(s)"	has the meaning as ascribed in the Listing Rules
"Consideration"	HK$1 million, being the consideration for the sale and purchase of the Sale Shares
"Current Accounts Amount"	the aggregate amounts under the inter-company current accounts between members of the Disposal Group and the Remaining Group
"Director(s)"	the director(s) of the Company
"Disposal Group"	the Target Company and its subsidiaries
"Group"	the Company and its subsidiaries

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	party(ies) which is/are independent of the Group and the connected persons of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	28 February 2026 (or such other date as may be agreed between the Company and the Purchaser in writing)
"PRC"	the People's Republic of China and, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region of the People's Republic of China and Taiwan
"Proposed Disposal"	the proposed disposal of the Sale Shares by the Company to the Purchaser pursuant to the Sale and Purchase Agreement
"Purchaser"	Mr. Li Xiaolong* (李小龍)
"Remaining Group"	the Group after Completion
"Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 4 December 2025 entered into among the Company and the Purchaser in relation to the Proposed Disposal
"Sale Shares"	the entire issued share capital of the Target Company
"SGM"	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder
"Share(s)"	ordinary share(s) of HK$0.02 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	久龍投資(上海)有限公司(Jiulong Investment (Shanghai) Company Limited*), a company established under the laws of the PRC with limited liability and wholly-owned by the Company before Completion
"Waiver"	the waiver of the Current Accounts Amount at Completion
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

For and on behalf of
NORTH MINING SHARES COMPANY LIMITED
Yang Ying Min
Chairman

4 December 2025

As at the date of this announcement, the Board 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.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text

* *For identification purpose only*