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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)

UPDATE ON MEASURES TO ADDRESS DISCLAIMER OF OPINION IN 2024 ANNUAL REPORT

Reference is made to the annual report of North Mining Shares Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 December 2024, published on 30 April 2025 (the "**Annual Report**"), in which the Company's auditors expressed a disclaimer of opinion relating to the Company's ability to continue as a going concern. Also, reference is made to the announcement dated 4 December 2025, which is very substantial disposal in-relation to the proposed disposal of the entire issued share capital of the target company. Unless otherwise specified, capitalized terms used in this announcement shall have the same meaning as those defined in the announcements mentioned above.

Pursuant to the requirements under the Listing Rules, including paragraph 2 of Appendix D2 and Code Provision D1.4 of Appendix C1, the Company is required to provide a true and fair view of its financial position and present clear, balanced, and understandable disclosures. The disclaimer of opinion issued by the auditors indicates that they were unable to obtain sufficient audit evidence to determine whether the financial statements were free from material misstatement.

To address this matter, the Company previously disclosed in the Annual Report (pages 47 to 48) its plans and measures to tackle the going concern issue. In compliance with the request from The Stock Exchange of Hong Kong Limited, the Company hereby provides a second update on the progress made since 1 January 2025:

Key Actions Taken to Address the Going Concern Issue:

1. Performance of Mining Operation

From 1 January 2025 to 30 November 2025, the Mining Operation recorded an unaudited revenue of over HK$800 million.

This robust result reflects the Group's ongoing commitment to operational efficiency, resource optimisation, and cost management across the Mining Operation. The significant improvement in profitability is also attributed to stable commodity prices and increased production output during the period.

The Group has begun allocating the revenue generated from the Mining Operation toward the priority repayment of debts directly associated with it. To date, a portion of these proceeds has been used to settle short-term liabilities and reduce creditor exposure, thereby improving the Group's financial stability.

The Group remains committed to executing its turnaround strategy and enhancing shareholder value through operational efficiency, prudent financial management, and a disciplined approach to capital deployment.

2. Very Substantial Disposal

Reference is made to the announcement dated 4 December 2025, the Company and an independent third party entered into the Sale and Purchase Agreement, the Company has conditionally agreed to dispose of the Target Group which were engaged in (i) chemical trading operations — manufacturing and sale of chemical products; and (ii) aluminum metal trading operations — sale of aluminum plates.

The Proposal Disposal process is still in progress, and upon the 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.

The Remaining Group is expected to record a gain (before tax and expenses) of approximately HK$801 million from the Proposal 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**").

The Company remains committed to implementing its remedial plans and will continue to monitor progress closely. It will publish quarterly updates on or before the end of each 3-month period following this announcement until the disclaimer of opinion is resolved.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By Order of the Board
NORTH MINING SHARES COMPANY LIMITED
Yang Ying Min
Chairman

Hong Kong, 31 December 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.