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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)

ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

This announcement is made by North Mining Shares Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to announce the audited results of the Group for the year ended 31 December 2025 (the “**Annual Results**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
Continuing operations			
Revenue	3	1,155,416	116,378
Cost of sales		<u>(615,146)</u>	<u>(61,633)</u>
Gross profit		540,270	54,745
Other income	3	1,160	2,756
Provision for impairment losses under expected credit loss (“ECL”)		(2,831)	(14,263)
Other gains and losses		(4,797)	(369,300)
Administrative expenses		<u>(71,152)</u>	<u>(76,959)</u>
Profit/(loss) from operations		462,650	(403,021)
Finance costs		<u>(8,880)</u>	<u>(9,363)</u>
Profit/(loss) before income tax	5	453,770	(412,384)
Taxation — (expense)/credit	6	<u>(68,908)</u>	<u>80,089</u>
Profit/(loss) for the year from continuing operations		<u>384,862</u>	<u>(332,295)</u>
Discontinued operations	9		
(Loss)/profit for the year from discontinued operations		<u>(25,176)</u>	<u>83,060</u>
Profit/(loss) for the year		<u>359,686</u>	<u>(249,235)</u>
Profit/(loss) for the year attributable to owners of the Company			
— from continuing operations		243,525	(173,702)
— from discontinued operations		<u>(14,906)</u>	<u>105,216</u>
Profit/(loss) for the year attributable to owners of the Company		<u>228,619</u>	<u>(68,486)</u>

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
Profit/(loss) for the year attributable to non-controlling interest			
— from continuing operations		141,337	(158,593)
— from discontinued operations		(10,270)	(22,156)
		<hr/>	<hr/>
Profit/(loss) for the year attributable to non-controlling interest		131,067	(180,749)
		<hr/>	<hr/>
		359,686	(249,235)
Other comprehensive (expenses)/income (Net of tax effect):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign subsidiaries		(18,297)	3,445
Release of upon disposal of foreign subsidiaries		—	12,088
		<hr/>	<hr/>
Other comprehensive (expenses)/income for the year		(18,297)	15,533
		<hr/>	<hr/>
Total comprehensive income/(expenses) for the year		341,389	(233,702)
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income/(expenses) for the year attributable to:			
Owners of the parent		210,399	(163,143)
Non-controlling interests		130,990	(70,559)
		<hr/>	<hr/>
		341,389	(233,702)
		<hr/> <hr/>	<hr/> <hr/>
Earning/(loss) per share	8		
From continuing and discontinued operations			
— Basic and diluted, HK cents		1.70	(0.55)
		<hr/>	<hr/>
From continuing operations			
— Basic and diluted, HK cents		1.81	(1.38)
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
ASSETS			
Non-Current assets			
Property, plant and equipment		422,675	474,365
Mining rights		484,185	526,860
Prepayment		23,353	43,663
Right-of-use assets		7,480	29,049
		<u>937,693</u>	<u>1,073,937</u>
Current assets			
Inventories		56,102	317,949
Trade receivables	<i>10</i>	25,872	45,145
Prepayments, deposits and other receivables		35,663	85,987
Cash and cash equivalents		39,891	15,247
		<u>157,528</u>	<u>464,328</u>
Assets of disposal group classified as held for sale		<u>70,137</u>	<u>—</u>
		<u>227,665</u>	<u>464,328</u>
TOTAL ASSETS		<u>1,165,358</u>	<u>1,538,265</u>
CAPITAL AND RESERVES			
Share capital		300,043	250,233
Reserves		28,358	(206,946)
		<u>328,401</u>	<u>43,287</u>
Equity attributable to owners of the Company		328,401	43,287
Non-controlling interests		(605,681)	(614,155)
		<u>(277,280)</u>	<u>(570,868)</u>
TOTAL DEFICIT		<u>(277,280)</u>	<u>(570,868)</u>

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
LIABILITIES			
Non-Current liabilities			
Bank loans and other borrowings		—	17,652
Lease liabilities		6,598	6,633
Deferred tax liabilities		121,046	131,715
		<u>127,644</u>	<u>156,000</u>
Current liabilities			
Trade payables	<i>10</i>	70,196	264,698
Other payables and accruals		122,413	720,692
Contract liabilities		136,533	558,381
Bank loans and other borrowings		27,284	409,079
Lease liabilities		333	283
Tax payables		2,108	—
		<u>358,867</u>	<u>1,953,133</u>
Liabilities directly associated with the assets classified as held for sale		<u>956,127</u>	<u>—</u>
		<u>1,314,994</u>	<u>1,953,133</u>
TOTAL LIABILITIES		<u>1,442,638</u>	<u>2,109,133</u>
TOTAL EQUITY AND LIABILITIES		<u>1,165,358</u>	<u>1,538,265</u>
NET CURRENT LIABILITIES		<u>(1,087,329)</u>	<u>(1,488,805)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(149,636)</u>	<u>(414,868)</u>
NET LIABILITIES		<u>(277,280)</u>	<u>(570,868)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE AND BASIS FOR PREPARATION

1.1 General information

North Mining Shares Company Limited (the “**Company**”) was incorporated in Bermuda as an exempted company with limited liabilities. The address of the registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business has been changed to Room 2004–05, 20/F, Kwan Chart Tower, 6 Tonnochy Road, Wan Chai, Hong Kong. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

The principal activities of the Company are investment holdings. The principal activities of the Company and its subsidiaries (the “**Group**”) are mining operations — exploitation, exploration, manufacture of mineral resources, sales of chemical products and sales of aluminum plates.

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

1.2 Statement of compliance and basis for preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial application the results of the valuation technique equals the transaction price.

1.3 Going concern

As at 31 December 2025, the Group had net current liabilities and net liabilities of approximately HK\$1,087,329,000 (2024: HK\$1,488,805,000) and HK\$277,280,000 (2024: HK\$570,868,000) respectively. 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 consolidated financial statements, the directors of the Company (“**Directors**”) 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 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 approval date of the consolidated financial statements, after taking into consideration of the following measures and arrangements made subsequent to the reporting date:

- (i) On 4 December 2025, the Company and an individual (the “**Purchaser**”) entered into a sale and purchase agreement (the “**S&P Agreement**”), pursuant to which the Company has agreed to dispose of, and the Purchaser has agreed to acquire, the entire issued share capital of 久龍投資(上海)有限公司 (Jiulong Investment (Shanghai) Company Limited) (“**Jiulong Investment**”) (the “**Disposal**”). Upon the completion of the Disposal, the Jiulong Investment and its subsidiaries (collectively referred to as the “**Disposal Group**”) will cease to be subsidiaries of the Group, and their financial results, assets and liabilities will no longer be consolidated into the consolidated financial statements of the Group. The financial position of the Group after completion of the Disposal is expected to improve substantially, transitioning from a net liability of approximately HK\$277,280,000 to net asset and net current liabilities position of approximately HK\$608,710,000 and HK\$201,339,000 respectively after excluding the Disposal's assets and liabilities. On 13 March 2026, an ordinary resolution was approved, confirm and ratify the S&P Agreement through the special general meeting. The Disposal was completed on 25 March 2026.
- (ii) The Group obtained financial supports from two creditors of the Group for not demand for repayment of approximately HK\$69,248,000 for a period of not less than 12 months from the date of the financial support.
- (iii) 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;
- (iv) The Directors will continue to source additional funding to support the Group's operation and settlement of loans when they fall due; and

- (v) The Group's mining operation has been resumed 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 approval date of consolidated financial statements. Accordingly, the 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 consolidated financial statements.

2.1 Application of amendments to HKFRS Accounting Standards

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards as issued by HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 Lack of Exchangeability

the application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.2 New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendment to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendment to HKFRS 9 and HKFRS 7	Contracts Referencing Nature — dependent Electricity ²
Amendment to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting	Standards Annual Improvements to HKFRS Accounting Standards — Volume 11 ²
HKAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency ³
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability Disclosures ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

3. REVENUE AND OTHER INCOME

An analysis of the Group's revenue and other income is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
Continuing operations		
(a) Revenue recognised at a point in time:		
Sales of molybdenum concentrate	<u>1,155,416</u>	<u>116,378</u>
	<u>1,155,416</u>	<u>116,378</u>

Revenue from sales of molybdenum concentrate is recognised when (or as) the control of the goods is transferred at a point in time. Revenue is recognised when the customer obtains the physical possession or the legal title of the goods and the Group has present right to payment and the collection of the consideration is probable. Sales of molybdenum concentrate is usually completed within one year, as permitted under HKFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
Continuing operations		
(b) Other income:		
Bank interest income	36	41
Government grant (<i>note</i>)	1,123	2,715
Sales of by-products	<u>1</u>	<u>—</u>
	<u>1,160</u>	<u>2,756</u>

Note:

During the year ended 31 December 2025 and 2024, the government grants are one-off with no specific condition attached for the both years.

4. SEGMENT INFORMATION

Operating segments have been identified on the basis of internal reports about components of the Group that are regularly reviewed by the directors of the Company, which are also the chief operating decision maker (the “CODM”), for the purpose of allocating resources to segments and to assessing their performance.

Prior to 31 December 2025, the Group’s reportable operating segment are as follows:

- (a) Mining operation: — Exploration of mineral mines
— Exploitation of molybdenum mines
- (b) Chemical trading operation: — Manufacturing and sale of chemical products
- (c) Aluminum metal trading operation: — Sale of aluminum plate products

On 4 December 2025, the Company and a purchaser entered into a sale and purchase agreement to disposal of subsidiaries, which involved in manufacturing and sales of chemical products and sale of aluminum plate products thus, these operating segment was classified as “Discontinued Operations”. The segment information reported herewith does not include any amounts for these Discontinued Operations.

The management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Information regarding the above segment is reported below.

4.1 Operating segment information

The following is an analysis of the Group’s revenue and results from continuing operations by reportable segment:

Segment revenue and results

For the year ended 31 December 2025

Continuing operations	Mining operation HK\$’000	Total HK\$’000
Revenue		
Segment revenue	<u>1,155,416</u>	<u>1,155,416</u>
Results		
Segment results	479,543	479,543
Unallocated corporate income		37
Finance costs		(8,880)
Other gains or losses		(5,073)
Impairment losses under ECL		(2,831)
Unallocated corporate expenses		<u>(9,026)</u>
Profit before income tax		453,770
Taxation — expense		<u>(68,908)</u>
Profit for the year from continuing operations		<u>384,862</u>

For the year ended 31 December 2024

Continuing operations (Restated)	Mining exploitation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue		
Segment revenue	<u>116,378</u>	<u>116,378</u>
Results		
Segment results	(376,920)	(376,920)
Unallocated corporate income		41
Finance costs		(9,363)
Other gains or losses		(5,062)
Impairment losses under ECL		(14,263)
Unallocated corporate expenses		<u>(6,817)</u>
Loss before income tax		(412,384)
Taxation — credit		<u>80,089</u>
Loss for the year from continuing operations		<u>(332,295)</u>

- (a) Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. Segment result represents the profit earned or loss incurred by each segment without allocation of corporate income and expenses, some amount of other gains or losses, provision for impairment loss under ECL, central administrative expenses, directors' salaries and finance costs. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Segment assets and liabilities

	Mining exploitation <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 December 2025			
Continuing operations			
Segment assets	<u>1,089,621</u>	<u>5,600</u>	<u>1,095,221</u>
Segment liabilities	<u>461,090</u>	<u>25,421</u>	<u>486,511</u>

	Mining exploitation <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 December 2024			
Continuing operations (Restated)			
Segment assets	<u>1,272,711</u>	<u>10,177</u>	<u>1,286,888</u>
Segment liabilities	<u>999,018</u>	<u>37,666</u>	<u>1,036,684</u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than assets used jointly reportable segments which are classified as “Unallocated” in segment assets.
- all liabilities are allocated to reportable segments other than liabilities for which reportable segments are jointly liable and classified as “Unallocated” in segment liabilities.

Other segment information

	Mining exploitation <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the year ended 31 December 2025			
Continuing operations			
Depreciation and amortisation	142,052	5,073	147,125
Capital expenditures	<u>66,718</u>	<u>—</u>	<u>66,718</u>
	Mining exploitation <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>

For the year ended 31 December 2024

Continuing operations (Restated)			
Depreciation and amortisation	73,701	5,062	78,763
Capital expenditures	<u>147,244</u>	<u>—</u>	<u>147,244</u>

4.2 Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's non-current assets. The geographical location of customers is based on the location at which the goods were delivered. The geographical location of the segment assets is based on the physical location of the asset, in the case of mining rights, the location of the operation to which they are allocated.

The Group's operations are located in the following geographical areas. The following table provides an analysis of the Group's revenue from continuing operations from external customers and non-current assets by geographical location:

	Revenue from external customers		Non-current assets	
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
Hong Kong	—	—	—	—
The PRC (country of domicile)	<u>1,155,416</u>	<u>116,378</u>	<u>937,693</u>	<u>997,474</u>
	<u><u>1,155,416</u></u>	<u><u>116,378</u></u>	<u><u>937,693</u></u>	<u><u>1,538,265</u></u>

Note: Non-current assets excluded those relating to discontinued operations.

Information about major customers

Revenue from customer individually contributing over 10% of the total of revenue of the Group is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (Restated)
Customer A (Mining operation)	<u><u>555,601</u></u>	<u><u>76,815</u></u>

Excepts for the customers stated above, there is no other single customer contributing over 10% of total revenue from continuing operations.

5. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived at after charging:

	2025 HK\$'000	2024 HK\$'000 (Re-present)
Continuing operations		
Amortisation of mining right (<i>note 1</i>)	64,930	13,086
Auditor's remuneration	900	900
Cost of inventories recognised as an expense	549,913	61,633
Depreciation of property, plant and equipment	76,819	60,313
Depreciation of right-of-use assets (<i>note 2</i>)	5,376	5,364
Staff costs (including directors' remuneration)		
— Wages and salaries	33,892	36,505
— Retirement benefit scheme contributions	2,177	1,298
Impairment losses on mining rights (<i>note 3</i>)	—	215,715
Impairment losses on right-of-use assets (<i>note 3</i>)	—	1,020
Impairment losses on property, plant and equipment (<i>note 3</i>)	—	147,503
	<u>64,930</u>	<u>147,503</u>

Notes:

- (1) Included in cost of sales
- (2) Included in cost of sales and other gains and losses
- (3) Included in other gains and losses

6. TAXATION — (EXPENSE)/CREDIT

No provision for Hong Kong Profits Tax has been made since the Group incurred taxation losses for the year. Taxes on profits assessable elsewhere have been calculated at the prevailing rates of tax based on existing legislation, interpretations and practices.

Hong Kong profits tax is calculated at 16.5% (2024: 16.5%) on the estimated assessable profit for the year ended 31 December 2025. No provision for Hong Kong Profits Tax has been made since the Group incurred taxation losses for the year ended 31 December 2025 and 2024.

PRC corporate income tax charge represents the PRC Enterprise Income Tax paid or payable during the year. Enterprise Income Tax has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 15% (2024: 15%).

Taxes on profits assessable elsewhere have been calculated at the prevailing rate of tax based on existing legislation, interpretations and practices.

7. DIVIDENDS

The directors of the Company do not recommend the payment of any final dividend in respect of the year ended 31 December 2025 (2024: Nil).

8. EARNING/(LOSS) PER SHARE

(a) Basic earning/(loss) per share

The calculation of the basic earning/(loss) per share attributable to the owners of the Company is based on the following data:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i> (restated)
Profit/(loss) attributable to owners of the Company		
— from continuing operations	243,525	(173,302)
— from discontinued operations	<u>(14,906)</u>	<u>105,216</u>
	<u><u>228,619</u></u>	<u><u>(68,486)</u></u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earning/(loss) per share	<u><u>13,432,784,233</u></u>	<u><u>12,511,640,397</u></u>

(b) Diluted earning/(loss) per share

No diluted earning/(loss) per share is presented as there were no potential ordinary shares in issue for the year ended 31 December 2025 (2024: Nil).

9. DISCONTINUED OPERATIONS

On 4 December 2025, the Company and the Purchaser entered into a S&P Agreement for disposal of the Disposal Group, which involved in manufacturing and sales of chemical products and sale of aluminum plate products (the “**Chemical Products Operation**”).

The assets and liabilities attributable to the business, which are expected to be sold within twelve months, have been classified as assets held for sale and liabilities held for sale and are presented separately in the consolidated statement of financial position. The net proceeds of disposal are expected to exceed the carrying amount of the relevant net assets and accordingly, no impairment loss has been recognised.

The loss for the year from the Disposal Group is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to represent the Disposal Group as discontinued operations.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	<u>811,977</u>	<u>993,848</u>
Loss before income tax	(25,176)	(241,939)
Taxation	<u>—</u>	<u>—</u>
Loss for the year from discontinued operations	<u>(25,176)</u>	<u>(241,939)</u>

The major classes of assets, liabilities of the Disposal Group as at 31 December 2025, which have been presented separately in the consolidated statement of financial position, are as follows:

	2025 <i>HK\$'000</i>
Property, plant and equipment	27,196
Right-of-use assets	16,943
Inventories	7,430
Trade receivables	11,328
Prepayments, deposits and other receivables	7,224
Cash and cash equivalents	<u>16</u>
Total assets classified as held for sale	<u>70,137</u>
Trade payables	58,364
Other payables	472,132
Contract liabilities	44,218
Bank loans and other borrowings	<u>381,413</u>
Total liabilities associated with assets classified as held for sale	<u>956,127</u>
Net liabilities directly associated with the disposal Group	<u>(885,990)</u>

10. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	30,549	47,685
Less: Allowance for credit losses	<u>(4,677)</u>	<u>(2,540)</u>
	<u>25,872</u>	<u>45,145</u>

As at 31 December 2025 and 2024, trade receivables from contracts with customers amounted to HK\$30,549,000 and HK\$47,685,000, respectively.

The following is an aged analysis of trade receivables presented based on dates of delivery of goods.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	3,701	16,760
31–60 days	22,171	12,477
61–90 days	—	9,039
91–180 days	—	363
Over 180 days	<u>—</u>	<u>6,506</u>
	<u>25,872</u>	<u>45,145</u>

For the year ended 31 December 2025, trade debtors that were not impaired nor past due related to customers for whom there was no recent history of default. Based on experience, management believe that no impairment loss shall be recognised for trade debtors that not yet past due as there has not been a significant change in credit quality and the balances are still considered recoverable (2024: Nil).

The directors of the Company consider that the fair values of trade receivables are not materially different from their carrying value because these amounts have short maturity period on their inception.

The Group's 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.

11. TRADE PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0–30 days	527	89,751
31–60 days	32,116	52,440
61–90 days	745	15,569
91–180 days	300	621
Over 180 days	<u>36,508</u>	<u>106,317</u>
	<u>70,196</u>	<u>264,698</u>

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

The directors of the Company consider that the carrying amounts of trade payables approximate to their fair values at the end of reporting period.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report from the external auditor of the Company:

MATERIAL UNCERTAINTIES RELATING TO GOING CONCERN

As at 31 December 2025 and, the Group had net current liabilities and net liabilities of approximately HK\$1,087,329,000 and HK\$277,280,000 respectively. These conditions indicate that material uncertainty exists that cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon evaluated outcome and the results of various financial plans and measures implemented by the Group. Our opinion is not modified in respect of this matter.

OVERALL FINANCIAL PERFORMANCE

During the year ended 31 December 2025, the Group recorded a revenue of approximately HK\$1,155,416,000 from continuing operations, representing an increase of approximately 893% as compared with last corresponding year of approximately HK\$116,378,000 from continuing operations. The revenue was mainly attributed to the Group's mining operation.

For the year ended 31 December 2025, the Group recorded a profit attributable to owners of the Company of approximately HK\$228,619,000 (2024: loss of approximately HK\$68,486,000), representing turning loss into profit compare to the same period in 2024, such profit for the year was mainly attributable to the full recovery of the Group's mining operations during the year, 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

Mining Operations — Exploitation and Exploration of Mineral Resources

Molybdenum Mine

The Group's mining operation mainly includes the exploitation, exploration and production 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%.

The mining licence and the Safety Production Licence are the major licences required for the Group to conduct its mining activities of its molybdenum mine. The renewed mining licence is valid up to 22 February 2034, has been granted by the Ministry of Natural Resources of the PRC and issued to the Company on 10 February 2023. The renewed Safety Production Licence is valid up to 17 October 2027, has been granted by the Shaanxi Provincial Emergency Management Department of PRC and issued to the Group on 18 October 2024.

During the year under review, the volume of molybdenum concentrate sold was about 7,070 tonnes (2024: 714 tonnes), whereas the grade of molybdenum concentrate was approximately 45%–50%. The average selling price of molybdenum concentrate was approximately HK\$141,404 per tonne. During the year under review, the mining operation contributed a revenue of approximately HK\$1,155,416,000 to the Group, of which approximately HK\$999,721,000 was contributed by sales of molybdenum concentrate and approximately HK\$155,695,000 was contributed by sales of sulfuric acid and iron concentrate. Gross profit was approximately HK\$540,270,000 and the gross profit margin was 46.76%. During the year, the Group recognised an amortisation of mining rights included in cost of sales of approximately HK\$64,930,000.

Major assets in mining operation

As at 31 December 2025, the carrying value of the major assets included in the Group's mining operation were property, plant and equipment, right-of-use assets and mining rights associated with the Group's molybdenum mine of approximately HK\$422,669,000, HK\$2,294,000 and HK\$484,185,000 respectively. At the end of the reporting period, the Group carried out impairment assessment to assess whether the recoverable amounts of the assets were below the carrying amount.

Impairment assessment — Mining operation

For the purpose of impairment testing, the Board hired an independent professional valuation firm to assess the value in use of the Group's mining operation on yearly basis. The basis for assessing the value in use was based on Discount Cash Flow (“**DCF**”) method. In the opinion of the Directors, the adoption of DCF method is the best to reflect the value in use of the Group's mining operation. During the year under review, there was no change in the valuation method used and the Board has consensus to adopt a consistent valuation methodology and accounting policy in accounting for such mining operation over time given that no fundamental changes in the mining industry and such external environment will occur.

Base on the result of impairment assessment of the value in use of mining operation, there were no impairment losses on the property, plant and equipment, the right-of-use assets and the mining rights were recognised for the year ended 31 December 2025 (2024: the impairment losses of approximately HK\$147,503,000, HK\$1,020,000 and HK\$215,715,000 respectively).

Profit/Cash flow forecasts were made by the management for mining operation's cash-generating units (“**CGU**”) respectively to consider whether there are any indications for impairment on the individual assets of the Group. Indications for impairment would include internal source of information and external source of information: (a) whether the group of CGU is be loss-making as a whole for the financial year that the economic performance of an asset is, or will be, worse than expected; (b) significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the economic or legal environment in which the entity operates or in the market to which an asset is dedicated or in the extent to which, or manner in which, an asset is used or is expected to be used; (c) evidence is available of obsolescence or physical damage of an asset; and (d) whether there are any extenuating circumstances which would require the management to perform an impairment assessment.

The independent valuation expert performed impairment assessment of the carrying amounts of CGU as at 31 December 2025 by estimating their value in use through the management's forecasts. The calculation of value in use of the relevant assets subjected to impairment testing are by reference to the present value of the estimated future cash flows expected to derive from the assets.

The recoverable amount of mining CGU was determined based on value in use calculation. The key assumptions for the value in use calculation were those regarding the discount rate and growth in revenue and direct costs during the year. Management estimated the pre-tax discount rate of 15.5% (2024: 15.5%) that reflect current market assessments of the time value of money and the risk specific to the CGU. Changes in selling price and direct costs were based on past experience and expectations of changes in the market.

The value in use calculation was derived from cash flow projection based on the most recent financial budgets for the next 5 years approved by management. Cash flows beyond the 5-year period had been extrapolated using a steady growth rate of 1% (2024: 1.5%) per annum.

The following table indicates the approximate change in the recoverable amount of the mining operation CGU for the year ended 31 December 2025 in response to reasonably possible changes in the assumptions used in calculation.

	2025	
	Increase/ (decrease) in the assumption	Effect on recoverable amount (HK\$'000)
Pre-tax discount rate	0.5%	(22,929)
Pre-tax discount rate	(0.5%)	24,247
Growth rate beyond the five year period	0.5%	56,905
Growth rate beyond the five year period	(0.5%)	(53,722)

DISCONTINUED OPERATIONS

1. 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 Tongxin New Material Technology Company Limited, a non-wholly owned subsidiary of the Company. During the year ended 31 December 2025, the Group's revenue generated from and loss for the year ended 31 December 2025 of chemical trading operation included in loss on discontinued operations in the consolidated statement of profit or loss and other comprehensive income was approximately HK\$811,749,000 and approximately HK\$20,962,000 respectively (2024: approximately HK\$993,830,000 and approximately HK\$243,381,000 respectively).

2. Aluminum metal trading operations

The Group established a new business during the year ended 31 December 2024, the overall economic landscape of the PRC's aluminum metal trading industry is very competitive, as a new competitor in the market, the Group faced pressure on source of customers and suppliers and the market share of business.

As at 31 December 2025, the Group revenue generated from and loss for the year 31 December 2025 of aluminum metal trading operation included in loss on discontinued operations in the consolidated statement of profit or loss and other comprehensive income was approximately HK\$228,000 and approximately HK\$1,237,000 respectively (2024: approximately HK\$18,000 and approximately HK\$506,000 respectively).

The Chemical Products Operation of the Group had an unsatisfactory financial performance, with consecutive losses for the two years ended 31 December 2024 and 31 December 2025, it exerted a substantial adverse impact on the Group's overall financial position.

In order to realize shareholders' benefit, the Group came to the decision to end the Chemical Products Operation by entering into the very substantial disposal on 4 December 2025 for the consideration of HK\$1 million.

Such disposal was completed on 18 March 2026. The Board considered that the disposal had no material negative impact on the Group's financial position, and the consideration of the disposal arrived at arm's length negotiations between the two parties on normal commercial terms, and was fair and reasonable and in the interests of the Company and its shareholders as a whole. The Board also take into account a number of factors in making their decision, in particular the current financial situation of the subsidiary and its business prospects.

PROSPECTS

As we enter 2026, our Group is striving to build resilience in a time of uncertainty.

The economic outlook remains uncertain in 2026. 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 cooperate 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 2026.

The Group will make every endeavor to keep abreast of the changing market conditions, to 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 appropriate. Moreover, the Group is seeking for further operating efficiency for its business. We are confident in the future prospect and committed to the continuous growth of the Company.

SUBSCRIPTION OF SHARES UNDER GENERAL MANDATE

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

The Subscription Price represents (i) a discount of approximately 16.67% to the average of the closing prices per share as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Subscription Agreements of approximately HK\$0.036; and (ii) a discount of approximately 16.22% to the closing price of HK\$0.036 per Share as quoted on the Stock Exchange of Hong Kong Limited on 25 July 2025, being the date of the Subscription Agreements.

The gross proceeds of the Subscriptions will amount to HK\$74,715,000 (the "**Gross Proceeds**") and the net proceeds receivable by the Company under the Subscriptions are estimated to be approximately HK\$74,700,000 after deducting the relevant expenses incurred in relation to the Subscriptions. The Company intends to use the net proceeds from the Subscriptions for the settlement of bank loans and other borrowings under the current liabilities of the Group and general working capital of the Company.

It is considered that the Subscriptions could strengthen the financial position of the Group and provide additional working capital to the Group's future development and obligations.

On 18 August 2025, Subscription Shares were issued and allotted to Subscribers under the Subscriptions. Please refer to the announcements of the Company dated 25 July 2025 and 18 August 2025 for details of the Subscriptions.

USE OF PROCEEDS

The Gross Proceeds from the Subscriptions. Pursuant to paragraphs 11(8) of Appendix D2 to the Listing Rules, the Board would like to provide additional information in relation to the timeline in utilising the Gross Proceeds. As at 31 December 2025, the Gross Proceeds had been fully utilised, the detail as follows:

Intended use of Gross Proceeds	Gross Proceeds at 18 August 2025 <i>(HK\$ million)</i>	Actual use of Gross Proceeds at 31 December 2025 <i>(HK\$ million)</i>	Unutilised balance <i>(HK\$ million)</i>
Settlement of bank loans and borrowings	40	40	—
Other working capital and general corporate purposes (including but not limited to payment of payroll-related expenses, building management fees and other corporate expenses)	34.7	34.7	—
Total	74.7	74.7	—

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and proceeds from suitable source of funding. During the year ended 31 December 2025, the Group recorded an increase in cash and cash equivalents from approximately HK\$15,247,000 as at 31 December 2024 to approximately HK\$39,891,000 as at 31 December 2025. As at 31 December 2025, the Group had outstanding bank loans and other borrowings at the amount of approximately HK\$27,284,000 (2024: approximately HK\$426,731,000).

As at 31 December 2025, the Group's current ratio was approximately 0.44 (2024: approximately 0.24). The increase in current ratio was mainly due to the reclassification of the assets and liabilities of the discontinued Chemical Products Operation as held for sale during the year ended 31 December 2025.

As at 31 December 2025, the Group's debt to equity ratio was approximately 1.48 (2024: approximately 48.72). The decrease in debt to equity ratio was mainly due to the reclassification of the assets and liabilities of the discontinued Chemical Products Operation as held for sale during the year ended 31 December 2025. The ratio was calculated by dividing the total liabilities of approximately HK\$486,511,000 (2024: approximately HK\$2,109,133,000) by equity attributable to owners of the Company of approximately HK\$328,401,000 (2024: approximately HK\$43,287,000). It is confident that the Group would have adequate financial resources to satisfy full repayment of the current liabilities.

CAPITAL STRUCTURE AND TREASURY POLICIES

Capital Structure

The Group's capital structure as at 31 December 2025 mainly comprised of current assets of approximately HK\$157,528,000 (2024: approximately HK\$464,328,000), current liabilities of approximately HK\$358,867,000 (2024: approximately HK\$1,953,133,000) and equity attributable to owners of the Company of approximately HK\$328,401,000 (2024: approximately HK\$43,287,000). Current assets mainly comprised of (i) cash and cash equivalents of approximately HK\$39,891,000 (2024: approximately HK\$15,247,000); (ii) inventories of approximately HK\$56,102,000 (2024: approximately HK\$317,949,000); (iii) Trade and bill receivables of approximately HK\$25,872,000 (2024: approximately HK\$45,145,000) and (iv) prepayments, deposits and other receivables of approximately HK\$35,663,000 (2024: approximately HK\$85,987,000). Current liabilities mainly comprised of (i) bank loans and other borrowings of approximately HK\$27,284,000 (2024: approximately HK\$409,079,000); (ii) trade and bill payables of approximately HK\$70,196,000 (2024: approximately HK\$264,698,000); and (iii) other payables and accruals of approximately HK\$122,413,000 (including interest payables) (2024: approximately HK\$720,692,000).

Treasury Policies

During the year ended 31 December 2025, the business activities of the Group were mainly denominated in Hong Kong dollars and Renminbi. It is not considered that the Group is significantly exposed to any foreign currency exchange risk. It is the Group's treasury policy to manage its foreign currency exposure whenever such financial impact is material to the Group. For the years ended 31 December 2025 and 2024, the Group did not employ any financial instruments for hedging purpose and was not engaged in foreign currency speculative activities.

BANK LOANS AND OTHER BORROWING AND CHARGES OF GROUP ASSETS

As at 31 December 2025, the Group had bank loans and other borrowings in current liabilities amounted to approximately HK\$27,284,000 (2024: current liabilities and non-current liabilities of total approximately HK\$426,731,000). As at 31 December 2025, the Group's interest bearing bank loans and other borrowings were carried at effective interest rates from 7.13% to 9% per annum and were secured by (i) guarantees from an independent financing guarantee company and the subsidiary's minority shareholders; and (ii) pledged equity of subsidiaries.

EVENTS AFTER REPORTING PERIOD

Reference to the announcement is made on 4 December 2025, 13 February 2026 and 25 March 2026, in relation to the very substantial disposal of the Chemical Products Operation for consideration of HK\$1,000,000.

Such disposal was completed on 25 March 2025. The Board considered that the disposal had no material negative impact on the Group's financial position, and the consideration of the disposal arrived at arm's length negotiations between the Company and the purchaser on normal commercial terms, and was fair and reasonable and in the interests of the Company and its shareholders as a whole. The Board also take into account a number of factors in making their decision, in particular the current financial situation of the subsidiary and its business prospects.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2025, the Group employed 640 full time employees (2024: 678 employees). Employees' remuneration packages are generally structured by reference to market norms, individual qualifications, relevant experience and performance.

DIVIDEND

No dividend is recommended for the year ended 31 December 2025.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2025.

CHANGE IN DIRECTORS' INFORMATION

During the year ended 31 December 2025 and up to the date of this report, the following changes in the composition of the Board and Board committees took place:

Ms. Qian Si Qun has been appointed as an executive director with effect from 28 March 2025.

CORPORATE GOVERNANCE CODE

During the year ended 31 December 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 year ended 31 December 2025.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, the Company confirmed that all directors had fully complied with the required standard set out in the Model Code for the year ended 31 December 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 purpose of the establishment of the audit committee is for reviewing and supervising the financial reporting process, risk management and internal control systems of the Group. The Audit Committee has reviewed the Group’s financial statements for the year ended 31 December 2025.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the consolidated financial statements as set out in this result announcement have been agreed by the Group’s independent auditor, Suya WWC CPA Limited, to the amounts set out in the consolidated financial statements for the year ended 31 December 2025. The work performed by Suya WWC CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Suya WWC CPA Limited on this result announcement.

PUBLICATION OF ANNUAL RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The result announcement is published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at www.northmining.com.hk. The Annual 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.

Shareholders and potential investors of the Company are advised to exercise extreme caution when dealings in the shares of the Company.

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

Hong Kong, 31 March 2026

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.