



NORTH MINING SHARES COMPANY LIMITED

北方礦業股份有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code : 433)



2025
Interim Report

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Yang Ying Min
(Chairman and Chief Executive Officer)
Qian Yi Dong
(Deputy Chairman)
Shen Jian
Huang Zhidan
Qian Si Qun
(appointed with effect from 28 March 2025)

Independent Non-executive Directors

Shek Man Ho
Shen Ming Jie
Feng Jia Wei

AUTHORISED REPRESENTATIVE

Yang Ying Min

COMPANY SECRETARY

Ho Wing Yan

AUDIT COMMITTEE

Shek Man Ho
(Chairman)
Shen Ming Jie
Feng Jia Wei

REMUNERATION COMMITTEE

Shen Ming Jie
(Chairman)
Feng Jia Wei
Qian Yi Dong

NOMINATION COMMITTEE

Yang Ying Min
(Chairman)
Shen Ming Jie
Feng Jia Wei

CORPORATE GOVERNANCE COMMITTEE

Feng Jia Wei
(Chairman)
Shek Man Ho
Shen Ming Jie

FINANCIAL REPORTING COMMITTEE

Shek Man Ho
(Chairman)
Shen Ming Jie
Feng Jia Wei

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 2004–05, 20/F
Kwan Chart Tower
6 Tonnochy Road
Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR

Appleby Global Corporate Services
(Bermuda) Limited
Canon's Court, 22 Victoria Street
P.O. Box HM1179, Hamilton HM EX
Bermuda
(effect from 10 January 2025)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17th Floor
Far East Finance Centre
No. 16 Harcourt Road
Hong Kong
(effect from 28 February 2025)

LISTING INFORMATION

Stock code: 433
(The Stock Exchange of Hong Kong Limited)

WEBSITE

www.northmining.com.hk

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 mainly 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; (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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 successfully 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 meeting 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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:

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

Treasury policies

During the six months ended 30 June 2025, the major currencies on which principal business activities of the Group used were mainly 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.

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).

MANAGEMENT DISCUSSION AND ANALYSIS

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).

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\$642,171,000).

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	4	925,762	621,311
Cost of sales		(623,727)	(613,189)
Gross profit		302,035	8,122
Other income	5	652	53
Research and development costs		(13,354)	(17,181)
General and administrative expenses		(91,682)	(56,973)
Provision for impairment losses under expected credit loss ("ECL"), net		–	583
Other gains and losses	7	(59,931)	(2,872)
Profit/(Loss) from operations		137,720	(68,268)
Finance costs	8	(5,384)	(31,522)
Profit/(Loss) before taxation	9	132,336	(99,790)
Taxation	10	(26,488)	–
Profit/(Loss) for the period		105,848	(99,790)
Attributable to:			
Owners of the Company		70,137	(58,543)
Non-controlling interests		35,711	(41,247)
Profit/(Loss) for the period		105,848	(99,790)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Other comprehensive (expense)/income (Net of tax effect):			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign subsidiaries		(14,103)	7,432
Other comprehensive (expense)/income for the period		(14,103)	7,432
Total comprehensive income/(expense) for the period		91,745	(92,358)
Attributable to:			
Owners of the Company		71,926	(63,979)
Non-controlling interests		19,819	(28,379)
		91,745	(92,358)
Earning/(Loss) per share			
– Basic and diluted, HK cents	12	0.56	(0.47)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
	Notes		
ASSETS			
Non-Current assets			
Property, plant and equipment	13	463,624	474,365
Mining rights	14	484,451	526,860
Prepayment		35,862	43,663
Right-of-use assets		26,981	29,049
		1,010,918	1,073,937
Current assets			
Inventories		273,304	317,949
Trade and bill receivables	15	64,712	45,145
Prepayments, deposits and other receivables		157,271	85,987
Cash and cash equivalents		54,811	15,247
		550,098	464,328
TOTAL ASSETS		1,561,016	1,538,265
CAPITAL AND RESERVES			
Share capital	16	250,233	250,233
Reserves		(135,020)	(206,946)
Equity attributable to owners of the Company		115,213	43,287
Non-controlling interests		(594,336)	(614,155)
TOTAL EQUITY		(479,123)	(570,868)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company							Attributable to non-controlling interests		Total equity
	Share capital	Share premium	Share contributed surplus	Capital redemption reserve	Capital reserve	Statutory reserve	Exchange reserve	Accumulated losses	Subtotal	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2025	250,233	2,695,682	4,143,838	995	(894)	12,676	(125,567)	(6,933,676)	432,287	(614,155)
Profit and total comprehensive income for the period	-	-	-	-	-	-	1,789	70,137	71,926	19,819
At 30 June 2025	250,233	2,695,682	4,143,838	995	(894)	126,716	(123,778)	(6,863,539)	115,213	(594,336)
At 1 January 2024	250,233	2,695,682	4,143,838	995	(894)	12,676	(277,312)	(6,865,190)	(39,972)	(2,971,194)
Loss and total comprehensive loss for the period	-	-	-	-	-	-	(5,436)	(58,543)	(63,979)	(28,379)
At 30 June 2024	250,233	2,695,682	4,143,838	995	(874)	12,676	(282,748)	(6,923,733)	(103,951)	(325,573)
										(421,524)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six Months ended 30 June	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Net cash generated from operating activities	78,130	59,160
Net cash used in investing activities	(227)	(2,255)
Net cash used in financing activities	(39,512)	(43,132)
Net increase in cash and cash equivalents	38,391	13,773
Cash and cash equivalents at 1 January	15,247	5,941
Effect of foreign exchange rate changes, net	1,173	(1,351)
Cash and cash equivalents at 30 June	54,811	18,363
Analysis of balances of cash and cash equivalents		
Cash and bank balance	54,811	18,363

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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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;

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- (ii) The Directors will continue to source additional funding to support the Group's operation and settlement of loans when they fall due;
- (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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4. REVENUE

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

5. OTHER INCOME

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

Other segment information:

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	For the six months ended 30 June 2024 (Unaudited)		
	Mining	Trading of	Total
	exploitation	chemical	
	HK\$'000	products	HK\$'000
Segment revenue	–	621,311	621,311
Segment results	(29,308)	(32,595)	(61,903)
Unallocated income			34
Finance cost			(31,522)
Other gains and losses			(2,529)
Provision of impairment loss under expected credit loss ("ECL"), net			583
Unallocated expenses			(4,453)
Loss before taxation			(99,790)
Taxation			–
Loss for the period			(99,790)

Other segment information:

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

As at 30 June 2025 (Unaudited)

	Mining exploitation HK\$'000	Trading of chemical products HK\$'000	Trading of aluminium products HK\$'000	Unallocated HK\$'000	Total HK\$'000
Segment assets	1,238,145	290,592	8,286	23,993	1,561,016
Segment liabilities	873,860	1,119,665	7,928	38,686	2,040,139

As at 31 December 2024 (Audited)

	Mining exploitation HK\$'000	Trading of chemical products HK\$'000	Trading of aluminium products HK\$'000	Unallocated HK\$'000	Total HK\$'000
Segment assets	1,272,711	249,451	2,405	13,698	1,538,265
Segment liabilities	999,018	1,068,242	1,594	40,279	2,109,133

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (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)	–
	(59,931)	(2,872)

8. FINANCE COSTS

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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	2,822
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

* 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)	–
	(26,488)	–

- (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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. DIVIDEND

The Board does not recommend the payment of interim 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. PROPERTY, PLANT AND EQUIPMENT

During the period, approximately HK\$29.26 million (31 December 2024: approximately HK\$147.24 million) of property, plant and equipment were added, of which approximately HK\$28.88 million was spent on mining operations.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

14. 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.

15. 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)
	64,712	45,145

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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
	64,712	45,145

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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

16. SHARE CAPITAL

	Number of shares '000	Nominal Value HK\$'000
Authorised:		
At 1 January 2024, 31 December 2024		
1 January 2025 and 30 June 2025		
Ordinary shares of HK\$0.02 each	25,000,000	500,000
Issued and fully paid:		
At 1 January 2024, 31 December 2024		
1 January 2025 and 30 June 2025		
Ordinary shares of HK\$0.02 each	12,511,640	250,233

17. 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
	309,000	264,698

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

ADDITIONAL INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 30 June 2025, none of the Directors or chief executives of the Company, or any of their respective associates, had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as notified to the Company or the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix 10 to the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2025, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as was known to the Directors or chief executive of the Company, the following persons had, or was deemed or taken to have, an interest or short position in the shares or underlying shares of the Company:

Name of shareholders	Capacity	Number of shares/underlying shares held	Approximate percentage interest in the issued voting shares of the Company
Sfund International Asset Management Limited (note 1)	Beneficial owner	2,575,478,816	20.58%
Qian Baohua (note 2)	Held by controlled corporation	2,438,619,133	19.49%
Huatune Holding Group Limited (note 2)	Beneficial owner	2,182,208,877	17.44%
Huatune Corporate (note 2)	Beneficial owner	256,410,256	2.05%
Gao Shan (note 3)	Beneficial owner	999,055,393	7.99%
Ms. So Kit Yee Anita (note 4)	Scheme Administrator	2,380,886,925	19.03%
Mr. Leung Fredric Hin Hang (note 4)	Scheme Administrator	2,380,886,925	19.03%
Luck Capital Limited (note 4)	Scheme Company	2,380,886,925	19.03%

ADDITIONAL INFORMATION

Notes:

- 1) Sfund International Asset Management Limited is wholly-owned by Sheer Capital Investment Limited, which is wholly-owned by Sfund International Investment Fund Management Limited (廣州基金國際股權投資基金管理有限公司), Sfund International Investment Fund Management Limited is wholly-owned by Guangzhou Huiyintianyue Equity Investment Fund Management Co., Ltd. (廣州滙垠天粵股權投資基金管理有限公司), Guangzhou Huiyintianyue Equity Investment Fund Management Co., Ltd. is wholly-owned by Guangzhou Industrial Investment Fund Management Co., Ltd. (廣州產業投資基金管理有限公司), Guangzhou Industrial Investment Fund Management Co., Ltd. is wholly owned by Guangzhou City Construction Investment Group Company Limited (廣州市城市建設投資集團有限公司).
- 2) Huatune Holding Group Limited is wholly-owned by Mr. Qian Baohua. Huatune Corporate is 95% owned by Mr. Qian Baohua.
- 3) Gao Shan personally held 999,055,393 shares in the Company.
- 4) According to the scheme of arrangement between the Company and its scheme creditors, the Company transferred 11,086,710,827 issued ordinary shares to the scheme company (i.e. Luck Capital Limited) on 29 September 2023. Ms. So Kit Yee Anita and Mr. Leung Fredric Hin Hang are the joint and several administrators of the scheme. Luck Capital Limited has disposed 8,705,823,902 ordinary shares for the six months ended 30 June 2024 pursuant to the terms of the Scheme.
- 5) These percentages are calculated on the basis of 12,511,640,397 issued shares of the Company as at 30 June 2025.

Save as disclosed above, the Directors and chief executive of the Company were not aware of any persons who, as at 30 June 2025, had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO and/or, who was, directly or indirectly, interested in 5% or more of the nominal value of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company.

ADDITIONAL INFORMATION

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 period of the six months ended 30 June 2025.

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.

ADDITIONAL INFORMATION

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 and interim report for the six months ended 30 June 2025.

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

Hong Kong, 27 August 2025